

U.S. General Services Administration FY 2001 Performance Plan

Table of Contents

I.	Introduction	1
II.	Overview of the GSA Mission and Strategic Plan	1
III.	Performance Highlights by GSA Service	4
IV.	GSA Management Challenges	8
V.	Performance Goals Related to Each GSA Strategic Goal	12
VI.	Public Buildings Service	17
VII.	Federal Supply Service	58
VIII.	Federal Technology Service	106
IX.	Office of Governmentwide Policy	141
X.	Other Responsibility Segments	176
XI.	Crosswalk Between Budget Accounts and the Performance Plan	181

GUIDE TO PUBLIC BUILDINGS SERVICE PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 1999	FY 2000	See Page
<u>GOVERNMENT-OWNED OPERATIONS</u>					25
Optimize revenue from Government owned buildings to fund capital programs	FFO in dollars per square foot.	\$4.89	\$5.44	\$4.82	27
Reduce the amount of non-revenue producing space in Government-owned buildings to maximize rental income.	% of Government-owned inventory not producing revenue	16%	14%	13%	29
Maintain operating costs that are at or below market rates.	Percentage difference between GSA's operating costs per rentable square foot for office space and private sector costs.	11%	11%	11%	30
Reduce indirect costs (overhead)	Indirect costs versus private sector benchmarks.	Benchmarks under development			31
Reduce the number of buildings that have protection costs in the high range of the benchmark set by private sector experts while maintaining effective security in Government buildings.	GSA protection costs per square foot versus private sector costs per square foot.	Baseline and future targets to be established when study is completed.			32
Increase the percentage of our building tenants that are satisfied with our space and services.	IFMA tenant satisfaction ratings	80%	81%	82%	34
Achieve and maintain enrollment from Federal families of 50% of the total nationwide.	Number of children from Federal families as compared to the total.	50%	50%	50%	35
Achieve 100% accreditation of all eligible GSA child care centers.	Percent of eligible child care centers accredited.	70%	80%	100%	36
<u>LEASING OPERATIONS</u>					37
Recover full costs (direct and indirect) associated with the leasing program, thus minimizing the effect on resources available to fund capital programs.	Funds from operations (FFO), calculated in dollars per rentable square foot.	(-\$0.64)	(-\$0.46)	(-\$0.34)	39
Minimize the amount of non-revenue producing space in the inventory.	Percent of Government-leased space not producing revenue.	7%	3%	2%	41

GUIDE TO PUBLIC BUILDINGS SERVICE PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 1999	FY 2000	See Page
Ensure that PBS costs for leased space are at or below commercial rates.	Comparison of PBS office space leasing costs per rentable square foot and commercial leasing costs per rentable square foot in major markets and by class.	Baseline is now being established.			42
Reduce time required to lease space for Federal agencies.	Cycle time on leases, i.e. number of days from final requirements until lease award.	244 days	171 days	163 days	43
Increase tenant satisfaction with leased space.	Percent of tenants that rate PBS leased space and services as satisfactory or better on IFMA tenant satisfaction surveys.	80%	81%	82%	44
CONSTRUCTION AND ACQUISITION					45
Complete all construction projects on time.	Percent of construction projects delivered on time. (Weighted by cost.)	77%	78%	80%	47
Minimize cost escalations on construction projects.	Project escalations divided by value of construction projects completed each year.	2%	2% or less	2% or less.	49
Increase the percentage of tenants that are satisfied with our space and services in newly constructed buildings while meeting agency space needs at best value to the taxpayer.	Percent of tenants in newly constructed buildings that rate space and services as satisfactory or better.	90%	90%	90%	50
REPAIRS AND ALTERATIONS					51
Complete repair and alterations projects on time.	Percent of repair and alterations projects delivered on time (Weighted by cost).	79%	81%	83%	53
Minimize cost escalations on repair and alterations projects.	Project escalations divided by the value of repairs and alterations projects completed each year.	2%	2% or less	2% or less	55
Meet client agency space needs at the best value to both the client and the taxpayer.	On-time performance guarantees paid vs. guarantees offered.	Being developed.			56
PROPERTY DISPOSAL					57
Dispose of excess property efficiently and effectively.	Dollars of disposals for each dollar of resources.	17.1	15:1	15:1	59

GUIDE TO FEDERAL SUPPLY SERVICE PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 1999	FY 2000	See page
<u>SUPPLY AND PROCUREMENT</u>					65
Hold costs at current levels while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by 25%.	Cost per \$100 sales.	\$3.51	\$3.08	\$2.62	67
Increase Federal agencies' use of GSA sources of supply by 45% over FY 1998 by providing additional products and services and by making it easier to access FSS products and services.	Dollar volume of GSA supply and procurement programs.	\$13 billion.	\$15 billion	\$16 billion	69
Maintain the current proportion of Schedules contracts awarded to small businesses.	Percent of Schedule contracted awarded to small business.	77%	77%	77%	71
Increase customer satisfaction with supply and procurement programs.	Percent of responses in the "highly satisfied" category.	61%	63%	63%	72
Increase the number of products available to Federal customers via electronic systems and Internet connectivity	Number of products accessible through GSA Advantage!	500,000	1 million	2 million	73
<u>VEHICLE ACQUISITION AND LEASING</u>					75
Offer an average 20% savings over commercial "Black Book" prices for 4-cylinder compact sedans.	Percent savings compared to "Black Book" price.	20%	20%	20%	77
Save taxpayers money by consolidating additional vehicles into GSA's fleet.	Average savings per vehicle consolidated into the fleet.	\$1,200	\$913	\$919	78
Hold annual increases in the cost per mile charges for interagency fleet vehicles close to the inflation rate.	Rate of increase in per mile charge compared to inflation rate.	2.9%	2.9%	2.9%	79
Increase GSA interagency fleet share of Federal fleet.	Percent of Federal fleet operated by the GSA Interagency Fleet.	46%	48%	49%	80
Increase customer satisfaction with Vehicle Acquisition and Leasing	Percent of respondents giving a "highly satisfied" rating.	74%	78%	78%	81
Fill 100% of requests for alternative fuel vehicles.	Percentage of requests filled.	100%	100%	100%	82

GUIDE TO FEDERAL SUPPLY SERVICE PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 1999	FY 2000	See page
<i>TRAVEL AND TRANSPORTATION</i>					
Achieve significant savings on Federal travel as compared with commercial prices.	Savings on government travel as a percent of the total commercial value of the same travel.	70%	68%	68%	85
Reduce Government's transportation costs by recovering or avoiding excess charges through pre- and post-payment audits of freight and transportation charges.	Increased cost avoidance due to pre-payment audits. Maintain collections from post-payment audits.	\$2.6 million \$15.7 million	\$3 million \$13 million	\$4 million \$13 million	86
Maintain savings of 45 –47% compared to commercial rates for shipment of freight and household goods, and for small package express delivery services.	% savings from commercial rates: Freight Household Goods Small package express.	45% 47% 45%	46% 47% 45%	46% 47% 45%	88
Increase customer satisfaction with FSS travel and transportation programs.	Customer satisfaction survey results: Transportation Travel <i>Scale from 1 to 5</i>	4.13 4.38	4.5 4.5	4.5 4.5	90
Increase the percentage of audits performed electronically.	Percent of audits performed electronically	10%	25%	40%	92
PERSONAL PROPERTY MANAGEMENT					
Maximize cost avoidance through reutilization and donation of excess Federal personal property.	New expenditures avoided through reutilization and donations of excess personal property.	\$1.7 billion	\$1.8 billion	\$1.6 billion	95
Control costs while effectively performing utilization, donation and sales services.	Dollar volume of Utilization/Donation transfers per FTE Sales proceeds per FTE	\$16.3 mill \$530,000	\$17.8 mill \$538,000	\$15.4 mill \$477,000	96
Increase customer satisfaction with Personal Property Management services.	Percent of respondents who report being "highly satisfied."	63%	65%	65%	97

GUIDE TO FEDERAL TECHNOLOGY SERVICE PERFORMANCE MEASURES

Performance Goals	Performance Measures	Baseline	FY 1999	FY 2000	See Page
Increase the FTS share of the Federal IT market.	Total business volume as a percent of the Federal IT market.	18.9%	20.3%	21.3%	121
Improve FTS culture to better serve customers and achieve business results.	Average to agree to categories on the annual culture survey.	66%	70%	75%	123
Reduce acquisition cycle times.	Average calendar days to award contracts	Directed (8a) –29 days Sole Source – 28 days Single Award – 50 days Multiple Award 239 days Modifications 53 days	To be determined.		125
Increase FTS business volumes while covering all expenses.	Business volume & excess revenues.	\$3.8 bill. & \$26 mill.	\$4.1 bill. & \$18 mill	\$4.3 bill. & \$5 mill	127
Increase customer satisfaction with FTS representatives and products/services.	Customer satisfaction ratings on annual FTS survey.	Under development.			130
Develop new and enhanced service offerings	Contracts awarded.	Being developed.			132
FTS long distance prices are competitive with the lowest offerings of commercial prices.	Percent difference between FTS 2000 prices and commercial prices.	Not available.			133
Reduce average monthly local line rates	Average monthly line rate	\$20.77	\$19.94	Under development	134

GUIDE TO OFFICE OF GOVERNMENTWIDE POLICY PERFORMANCE MEASURES (page 1 of 2)

Performance Goals	Performance Measures	Baseline	FY 1999	FY 2000	See page
GOVERNMENTWIDE POLICY INFRASTRUCTURE					
Organize, lead and collaborate with Federal agencies to implement requirements of Federal laws and Executive Orders and address Governmentwide issues.	Number of areas with interagency committees	12 of 12	12 of 12	12 of 12	143
Maintain up-to-date policies and guidelines for those areas in OGP's purview.	Percent of planned regulatory changes completed.	20%	55%	85%	145
Identify and publish best practices for those areas within OGP's responsibility.	Percent of processes completed.	50%	71%	100%	147
Develop and promote performance measurement systems for Governmentwide use.	Number of 12 OGP areas with performance measurement systems	1 of 12	7 of 12	11 of 12	150
Improve accessibility to shared databases and information on best practices and policies for Government, industry and the public's use.	Number of information systems accessible via the Internet.	7 of 9	8 of 9	9 of 9	153
Establish policies, standards and best practices to help develop an interoperable, single face for Government electronic business transactions	Interoperability standards are in place for: <ul style="list-style-type: none"> • Government and commercial catalogs • Federal grants • Digital signatures • EDI support infrastructure 	Under development			155
GOVERNMENTWIDE IMPROVEMENT INITIATIVES					
Establish and maintain a core curriculum of classroom and Internet-based courses and increase the number of training instances	New or revised courses developed		+6	+14	159
	Number of training instances. (A training instance is defined as one person completing one course session.)	849	2,500	2,750	

GUIDE TO OFFICE OF GOVERNMENTWIDE POLICY PERFORMANCE MEASURES (page 2 of 2)

Performance Goals	Performance Measures	Baseline	FY 1999	FY 2000	See page
Improve the professional skills of agencies' present and future IT leaders	Numbers of Federal IT professionals in OGP IT leadership programs: <ul style="list-style-type: none"> • Students enrolled in "1,000 by 2,000" • Students completing Trail Boss seminars • Participants at Trail Boss Roundup • Participants at IRMCO 	700 1,300 130 250	850 1,400 140 300	1,000 1,500 150 350	161
Maintain a centralized database that contains sources of Y2K-certified hardware and software, status of agency Y2K compliance, and Federal, State, and local Y2K contingency plans.	Number of Y2K products available in COTS database	2,361	No target	No target	163
	Percent of Federal and State agencies providing information to database	92%	100%	100%	
Provide a "single point of entry" for industry to find opportunities to do business with the Federal government.	Number of agencies using Electronic Posting System	5	10	20	165
Provide a single electronic entry point to make Government information more accessible to the public.	Number of visits to WEBGOV sites.	To be determined when links to 1,000 Federal sites are available.			166

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GSA FY 2001 Performance Plan

I. INTRODUCTION

Congress created the General Services Administration (GSA) in 1949 through the Federal Property and Administrative Services Act to serve as a centralized procurement and property management agency for Federal civilian agencies; to provide—as cost effectively as possible—the space, supplies, and services Federal employees needed to do their jobs. When the agency celebrated its 25th anniversary in 1974, it had more than 38,000 employees and managed assets worth \$11 billion.

GSA turned 50 years old in 1999. Today, GSA programs and policy leadership act as a catalyst for nearly \$50 billion—more than one-fourth of the Federal Government's total procurement dollars. In its policy role, the agency influences the management of assets valued at nearly \$500 billion. This is roughly 6% of the U.S. Gross Domestic Product. GSA has exceeded its targets for streamlining its operations and is now a lean, focused agency with about 14,000 employees.

As it looks to a new century, GSA will focus increasingly on adding value through anticipating new, efficient and effective ways for Federal employees to work. GSA will provide Federal employees with integrated solutions to their workplace needs, including tools to meet the challenges of a mobile workforce, simplified administrative processes through electronic commerce, and quality child care in Federal facilities.

While GSA's supporting role has grown dramatically, one thing has not changed in 50 years. Now, as then, GSA *provides* for Federal workers.

II. OVERVIEW OF THE GSA MISSION AND STRATEGIC PLAN

GSA's mission reflects the personal commitment of the 14,000 employees who stand behind it:

We provide policy leadership and expertly managed space, products, services, and solutions, at the best value, to enable Federal employees to accomplish their missions.

In FY 2000, we add value through three GSA Services—the Public Buildings Service (PBS), Federal Supply Service (FSS) and Federal Technology Service (FTS). We provide policy leadership for all Federal agencies through the Office of Governmentwide Policy (OGP). The synergy achieved by having these three Services and OGP in the same agency makes us uniquely positioned to provide our customer agencies with integrated solutions to their workplace requirements.

The GSA Strategic Plan

GSA's three-year *Strategic Plan*, issued September 30, 1997, outlines the agency's program for fulfilling its mission as we enter the 21st Century. Achieving the four strategic goals as we accomplish the agency's mission will position GSA as an integral component in supporting the missions of the Federal workforce.

GSA's four strategic goals are simple: to promote responsible asset management, to compete effectively for the Federal Market, to excel at customer service and to anticipate future workforce needs. To achieve these goals requires a clear picture of what success looks like and how to measure it. Agency management is focused on defining and reinventing that picture in a rapidly changing environment. The performance goals adopted by the Services and OGP create a mosaic of activities across the agency which, taken together, form our vision of GSA as an efficient and effective, customer-centric, commercial-quality provider.

Goal 1: Promote Responsible Asset Management *GSA will conserve Government resources and the assets in its care and provide policies and best practices for Governmentwide asset management.*

To understand the value to the taxpayers of achieving this goal, it is important to recognize that GSA directly or indirectly influences the management of Federal assets worth nearly \$500 billion. Our assets include over 8,000 Government-owned or leased buildings, an interagency fleet of 170,000 vehicles and technology programs and products ranging from laptops to systems that cost over \$100 million. Therefore, GSA's first responsibility is to conserve and ensure the best use of these resources.

Responsible asset management means we must coordinate the development of management policies, identify and promulgate best practices in asset management from both the Government and the private sector, write procurement regulations, train procurement specialists, and develop guidelines for Federal employees. In our policymaking role, we help other agencies manage the funds, buildings, fleets, and other Government assets they control. GSA professionals find the best uses for excess and surplus real and personal property, avoiding over \$2 billion in Government purchases annually.

One of GSA's greatest assets is its experienced workforce. In this time of rapid and continuous change, GSA is investing in the competencies of its workforce by providing employees with the skills and technology they need to perform effectively in a transformed environment. We also support our employees by providing the family-friendly services they need to be most productive in their work, e.g., on-site child care and telework options.

Goal 2: Compete Effectively for the Federal Market *GSA will be the preferred provider of space, products, services, technology, and telecommunications for all Federal agencies by efficiently and economically delivering consistently high quality and best value.*

GSA is no longer the mandatory source for many products or services. We compete for the business of Federal agencies by proving we are better than any other supplier be it another Federal agency or a private company. This means we must offer variety, choice, and a range of purchasing vehicles and payment methods. We must do the research, evaluate the products and services offered, negotiate the best deals, streamline acquisition processes, and present “best value” options to our customers so that they can make informed procurement decisions.

While GSA has always shopped for “best value,” in the past, its ability to achieve top quality and low prices depended largely on its mandatory status and the vast market it could deliver. Now GSA must, at a minimum, satisfy its customers and expand its customer base in order to continue to leverage the buying power of the Federal Government and thereby attain “best value.”

GSA will continue to operate within the framework of the Federal Government’s economic and social objectives as expressed in legislation and Executive orders. GSA is committed to contracting with small, small disadvantaged, small women-owned and HUBZone small business concerns; with agencies representing people with disabilities; and with Federal Prison Industries.

Goal 3: Excel at Customer Service *GSA will thrill its customers and agency partners by developing and delivering creative solutions to meet their needs for space, products, and services; technology and telecommunications; and policy guidance.*

In addition to setting a broad goal to compete effectively for the Federal market, GSA recognizes the need to excel at customer service and deliver it to our customer agencies at a level equivalent to the best the private sector has to offer. We realize that we cannot achieve our goals of promoting responsible asset management and competing effectively for the Federal market without keeping a finger on the pulse of customers.

GSA is reaching out to its customers through new programs that create partnerships and engage in honest conversations. Our national account representatives for real estate, and customer service directors for products and services, form a worldwide network ready to meet our customer’s needs. We continuously measure customer satisfaction and adjust our methods to meet customer expectations wherever we uncover deficiencies.

Goal 4: Anticipate Future Workforce Needs *GSA will design, develop and model future Federal work environments with state-of-the-art technology, innovation and best practices in use of space, furniture, equipment, telecommunications, contracts, and other tools.*

Not only is information technology changing how everyone does business, but such concepts as teaming and teleworking are altering traditional ideas about the workplace. Companies and government agencies alike are economizing on office space and buying products and services differently. By anticipating future workforce needs and researching alternative solutions, GSA will help guide informed decision-making.

Driven by our customers' changing needs, we will provide them with customized, innovative, technologically sophisticated solutions. Working with other Federal agencies and the private sector, we will identify workforce trends, test their applicability in the Federal arena, and work to ensure that Federal employees governmentwide share in their benefits.

GSA will develop policies and practices to facilitate the integration of new capabilities that increase the efficiency and effectiveness of the Federal workforce. For example, GSA is pioneering the use of emerging smart card technologies for building and computer access, financial transactions, and data storage. We are also supporting interagency efforts to develop and implement a nationwide electronic benefits system.

III. PERFORMANCE HIGHLIGHTS BY GSA SERVICE/OFFICE

Each of GSA's major components is vital to achieving our overall vision. Here are some highlights:

Public Buildings Service (PBS)

PBS controls 40% of the Federal Government's office space and houses approximately 1 million Federal employees of more than 100 Federal agencies. PBS manages space in approximately 8,300 properties: 1,900 are Government-owned and 6,400 are leased from the private sector. More than 400 of the Government-owned properties have some historic significance. In FY 2001, 93% of PBS expenditures of more than \$5 billion is expected to flow to the private sector through contracts for design, construction, cleaning, maintenance, utilities, repairs, security, and other services.

PBS generates revenue from the rent it collects from the agencies it houses. These revenues, deposited in the Federal Buildings Fund (FBF), are used to pay the expenses of operating PBS buildings, reimbursing lessors, and managing our business. The balances are available for reinvestment in maintaining and modernizing our assets and for new capital investment such as new construction and acquisition.

The PBS vision is to be recognized as the *best* public real estate organization in the world. Achieving this vision requires a number of changes in the way PBS does business. In particular, PBS management is committed to making internal improvements, changing external perceptions, and recapturing market share.

PBS operations are financed through the Federal Buildings Fund. The PBS-proposed budget for FY 2001 totals \$6.3 billion in new obligational authority, the majority of which is funded by rent revenues from customer agencies.

Federal Supply Service (FSS)

FSS leverages the purchasing power of the Federal Government to provide Federal agencies with choice and value in commercial products and services worth over \$24 billion per year. FSS provides these goods and services in four business lines: Supply and Procurement, Vehicle Acquisition and Leasing, Travel and Transportation, and Personal Property Management.

In each business line, FSS focuses on minimizing costs while maintaining high quality. Taxpayers save \$2.5 billion a year in discounts provided through FSS-negotiated contracts for airline tickets, shipping and freight services, and \$2 billion a year through FSS' responsible management of the Government's personal property assets.

FSS makes it easy for agencies to purchase what they need by offering several payment options. Responding to Federal agencies' demands for choices in payment systems, FSS now maintains contracts with five vendors for travel, fleet, and purchase card services. Agencies can choose from a variety of core and optional value-added services according to their unique mission requirements. Purchase cards can save Federal agencies administrative costs and earn them substantial amounts in refunds.

FSS' business is entirely dependent on customer revenues. With few exceptions, its businesses are non-mandatory, so FSS must compete for customer loyalty.

FSS operations are financed largely through the General Supply Fund, a full cost -recovery revolving fund. The FSS budget for FY 2001 is \$3.4 billion, with an FTE level of 3,200. The precise level of FTE usage in FY 2001 will depend on the speed of implementation of the recommendations of the supply distribution center review.

Federal Technology Service (FTS)

FTS delivers reimbursable local and long-distance telecommunications, information technology and information security services to Federal agencies and other authorized entities through two business lines: Network Services and Information Technology (IT) Solutions. FTS revenues have more than doubled since 1995 and are expected to reach \$5.5 billion in FY 2001.

FTS telecommunications will complete the transition to being a fully non-mandatory service with the introduction of FTS2001, the new long-distance contract(s) that will provide state-of-the-art, integrated voice, data, and video telecommunications for Federal users worldwide. FTS intends to offer both long-distance and local services at the lowest aggregate prices available, to achieve maximum savings for the taxpayer..

IT Solutions offers a full array of IT services to meet the needs of Federal agencies. It is a focal point for the management and introduction of new technologies and provides arms-length objectivity and independence to customers. IT Solutions leverages its acquisition experience across government. It has a proven record of accomplishments in small-to-complex IT acquisitions and tailors its services to meet the needs of its customers. IT Solutions business continues to grow with repeat and new Federal customers.

FTS operations are financed through the Information Technology Fund, a full cost-recovery revolving fund. The FTS budget request for FY 2001 totals \$4.45 billion (obligation authority), with an FTE level of 1,340, about a 3% increase from the two previous fiscal years.

Office of Governmentwide Policy (OGP)

OGP provides guidance, information, and coordination to make Governmentwide administrative processes more efficient by collaborating with other Federal agencies. OGP develops policies and identifies and disseminates best practices in information technology, real and personal property management, travel and transportation policy, electronic commerce, and acquisition. As a result of its work in the area of best practices, OGP is also developing and promoting performance measurement systems for Governmentwide use and better access to information about these best practices. OGP is becoming a leader in this area and its dialog often extends beyond the Federal arena to State, local, and foreign governments.

OGP organizes collaborative groups of Federal agencies to address Governmentwide improvement initiatives. Among the most significant are improving the skill levels of both acquisition professionals and IT leaders, and making Government information more accessible through the Internet. OGP is also involved in making electronic commerce more secure .

OGP is financed under Policy and Operations in GSA's budget. For FY 2001, its budget authority is nearly \$56 million ; FTE is estimated at 257.

Other Offices

The following activities have responsibility for performance goals but are not componets of the Services or OGP.

Child Care

Child Care is an important concern to GSA both as an extention of our property management responsibilities and as a critical improvement to the work environment. The Office of Child Care Initiatives provides policy leadership, guidance, oversight and information on quality child care in Federal facilities.

Consumer Information

The Consumer Information Center helps over 40 Federal agencies deliver Federal consumer information to the American public. Traditionally this meant requesting printed publications by mail from the Government Printing Office in Pueblo Colorado. Today information is increasingly requested through the Internet and delivered electronically.

IV. GSA MANAGEMENT CHALLENGES

GSA is evolving from an operations-based organization that *performs* services for Federal agencies to a procurement and contract management organization that *provides* goods and services for its Federal customers. While this evolution has been underway for several years, the changes continue to present management challenges that call into question how GSA will best serve its customers and stakeholders in the future.

Among the most pressing internal issues are those of employee skills, and the use of technology and financial management. Externally, GSA is facing an increasingly competitive marketplace, an uncertain international economy, and Administration social initiatives that can impact our resources. GSA management is already taking steps to meet these challenges. (The Services also address challenges that pertain mainly to their organizations later in this plan.)

Internal Challenges

Employee Skills

GSA has recognized the need to develop different employee skills to support our strategic goals in a rapidly changing environment, in particular because of an aging workforce whose average age is close to 50. We must be especially concerned with our ability to anticipate the needs of the Federal workforce through the demographic and technological changes and challenges of the next century.

Regional responsibilities have been adjusted where necessary to reflect programs that should be managed with a great recognition of local circumstances, such as real estate, and others that are best managed nationally, such as supply. Good decisionmaking and accountability rest on a proper alignment of responsibilities..

For administrative functions, GSA has established its structure around four core areas of expertise: personnel, information, finance, and legal. Each of these specialties has parallel entities in the private sector so it is easier to benchmark and seek "best practices." The clarity of the core areas makes their support more clearly defined for their customers.

Other peripheral administrative functions which have gradually grown over the years, such as general administration and printing, have been drastically cut back.

In order to ensure success in meeting all strategic objectives and performance goals, GSA management conducts quarterly reviews of the Services and regional operations. Systems introduced in FY 1999 will add a systematic evaluation capability to the process.

The agency has inventoried our activities under the FAIR Act to help identify potential efficiencies in our operations. Management views this process as a way of identifying excellence in the organization and improving our skills.

Technological Capacity

Technology will drive the speed and capacity of Federal decision-making; GSA needs to understand and provide good data and new guidance for both its employees and customers.

GSA is well on its way to replacing its major legacy systems with modern information technology. A major impetus to this progress has been the creation of the GSA Chief Information Officer (CIO).

By establishing a strong CIO, we have addressed the need to control costs and time frames and develop agency-wide architecture. The CIO is responsible for applying state-of-the-art information technology to achieve GSA's business goals and to support its programs. The CIO works with the Agency's top leadership through the Business Technology Council. This group serves as a guide for GSA's information technology capital planning and investment process. A critical part of that process is the periodic review of projects to make sure they are on track.

GSA is leading the Federal Government in the development and implementation of smart card technologies as part of our electronic commerce efforts. GSA also launched a new SmartPay card payment system in FY 1999. Five charge card vendors each offer Federal agencies the capacity to use one card for a variety of services including travel, purchase and automotive services.

GSA will continue to increase its technology services through both FSS schedules and FTS innovative programs like Seat Management and SIS (share-in-savings). The Seat Management contract provides Federal agencies the opportunity to obtain desktop computing ? encompassing the management, operation and maintenance of the desktop hardware and software and its associated network infrastructure ? as a unified and comprehensive service. The SIS program allows agencies to pay for process improvements out of savings rather than through up-front payments.

Financial Management

One of the greatest management challenges facing Federal managers today is obtaining timely, accurate and useful financial information. GSA is well on its way to replacing its decades-old accounting system, NEAR, with a modern financial management system, Pegasys. This system is based on a Commercial-off-the-Shelf (COTS) application that has been successful in other agencies and is being tailored to GSA's specific needs. When fully implemented, Pegasys will provide enhanced capability to produce management information such as activity-based costing, which has not been easily available within GSA. At the same time, under Pegasys, many processing functions will be performed at the desktop.

External Challenges

Security

The safety and security of Federal employees and visitors to Federal space will always be a high priority for GSA. In recent months we have introduced a secure messaging system for the exchange of sensitive intelligence information, Security Design Criteria for the construction of new facilities, and medical and psychological standards and a testing program for GSA law enforcement officers to mention only a few of the improvements. Regrettably, vigilance against terrorism and other physical threats is a vital responsibility which will continue through FY 2001 and beyond.

GSA also has a program in place to address computer security. The objectives of this program are basically to: 1) ensure the availability, integrity and confidentiality of information technology resources and information processed, and 2) achieve appropriate levels of protection against threats and vulnerabilities. We have put in place policies that 1) identify roles and responsibilities, 2) define requirements for accreditation so that information technology will operate within an acceptable level of security risk, 3) establish a standard set of controls as a baseline for agency-wide application of security policies, and 4) provide specific security guidelines for special topics.

We are constantly testing and monitoring key internal and government-wide systems under GSA control.

Competitive Marketplace

As GSA moves toward a non-mandatory status in all of its Services, the challenge of understanding our marketplace, evaluating our customers' needs and thrilling our customers with good service become the primary drivers in our business lines.

The agency benchmarks against standard private-sector measures to ensure that we meet industry standards in each business line. These include International Facilities Management Association (IFMA) customer satisfaction surveys to determine tenant satisfaction, cost-per-\$100 purchases, and cost-per-minute long-distance charges and monthly line rates for local telephone service

The GSA Marketing Council, formed in FY 1997, is introducing systematic research to identify customer requirements, competition both inside and outside the Government, and pricing that can impact GSA delivery. The Council will also establish GSA's share of market and value-added components in each business line.

Measuring and analyzing the impact of these elements becomes increasingly important as GSA faces growing competition from other Federal agencies with “shadow GSAs.” These organizations were originally intended to serve the administrative needs of their home Department or agency. Unfortunately, in some cases, they have added requirements or restrictions on top of GSA rules, resulting in an unfair burden on the ultimate customer. In other cases, these “shadow GSA’s are actively marketing their excess capacity to other Departments or agencies which amounts to taking the place of GSA.

Changing International Economy

The GSA Strategic Plan assumes a stable economic environment with minimal inflation. The volatile conditions in the 1998 international marketplace could affect GSA in 2001 by causing changes in the real estate market, increases in the costs of goods and services, and a significant drop in demand for real and personal property disposals. The Chief Financial Officer’s staff will monitor economic shifts.

Administration Priorities

GSA supports the Administration policies which impact economic development of central cities. Executive Orders mandate that we give priority to the location of Federal facilities in historic buildings, in historic districts and within downtown areas. As the agency that leverages \$43 billion in Federal purchases, we face a significant challenge to achieve the Federal Government’s statutory goals for contracting: 23% for small businesses, 5% for small disadvantaged businesses, 5% for women-owned small businesses and 1% for HUBZone small business concerns.

We are the natural leaders for family-friendly initiatives as the agency with the responsibility for developing and managing quality childcare centers for Federal employees’ children. We also lead the Federal government’s teleworking initiative.

In FY 1998, GSA introduced new programs to support the Administration’s environmental goals. FSS first offered subsidies to Federal agencies that purchased recycled paper from FSS and ultimately withdrew virgin paper from its inventories. GSA also launched Planet GSA, a program that encourages Federal employees to buy, build, drive or save green products.

Finally, GSA continues its long-standing commitment to purchase goods and services from the National Industries for the Blind, National Industries for the Severely Handicapped, and the Federal Prison Industries. At the same time, in a competitive environment, GSA must exercise strong cost-containment practices to support the Administration priorities and deliver best value to our customers.

V. Performance Goals Related to Each GSA Strategic Goal

This Performance Plan outlines GSA's performance goals and supporting strategies for making significant progress toward achieving its strategic goals in FY 2001. Each Service and OGP have adopted performance measures which, if achieved, will ensure that GSA has delivered its mission to the benefit of the Federal agencies we serve and continue to be a worthwhile investment for our stakeholders, the taxpayers.

The goals set forth in the GSA Performance Plan are shown in the following table. GSA will be reporting against this set of goals for fiscal year 2001. We have modified the performance goals contained in the *Strategic Plan* issued September 30, 1997.

Promote Responsible Asset Management

Public Buildings Service Government-Owned Operations	Generate a capital investment contribution of 2.5% of the functional replacement value of the owned inventory.
	Maintain building operations costs in office and office-like space to 12% below private sector benchmarks.
	Reduce the amount of non-revenue producing space in the Government-owned inventory from 13% in FY 2000 to 12% in FY 2001.
	Reduce indirect costs as a percentage of revenue from 10.7% in FY 2000 to 10.1% in FY 2001.
Leasing Operations	Reduce the amount of non-revenue producing space in the leased inventory from 3.6% in FY 2000 to 3.5% in FY 2001.
Construction and Acquisition	Improve the percentage of construction projects completed on schedule from 80% in FY 2000 to 81% in FY 2001
	Reduce the cost escalation rate for new construction projects from 2% in FY 2000 to 1% in FY 2001.
Repairs and Alterations	Improve the percent of repair and alteration projects completed on schedule from 83% in FY 2000 to 84% in FY 2001.
	Reduce the cost escalation rate for repairs and alterations projects from 2% in FY 2000 to 1% in FY 2001.
Real Property Disposal	Improve the dollar returned to dollar invested ratio from \$15:1 in FY 2000 to \$16:1 in FY 2001.

Promote Responsible Asset Management (continued)

<u>Federal Supply Service</u> Supply and Procurement	Reduce costs while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 9%.
Vehicle Acquisition and Leasing	Offer an average 20% savings over commercial "Black Book" prices for compact sedans.
	Save taxpayers money by consolidating additional vehicles into GSA's fleet.
	Hold annual increases in per mile charges for interagency fleet vehicles at or below the inflation rate.
Travel and Transportation	Achieve significant savings on Federal travel as compared with commercial prices
	Reduce Government transportation costs . . . through pre- and post-payment audits of freight and transportation charges
Personal Property Management	Maximize cost avoidance through reutilization and donation of excess Federal personal property.
	Control costs while effectively performing utilization, donation and sales services.
<u>Federal Technology Service (Corporate)</u>	Provide increase opportunities for employee development and respond to employee needs.
<u>Office of Governmentwide Policy</u> Govtwide Policy Infrastructure	Organize, lead and collaborate with Federal agencies to implement requirements of Federal laws and Executive Orders and address Governmentwide issues
	Maintain up-to-date policies and guidelines for those areas within OGP's responsibility
	Identify and publish best practices for those areas within OGP's responsibility
	Provide a centralized source of information on IT products that have been tested by users with disabilities. . .
	Assist Federal agencies . . . to meet the needs . . .for a barrier-free IT environment.
	Develop and promote performance measurement systems for Governmentwide use
Leadership and Support for Governmentwide Improvement Initiatives	Establish and maintain a core curriculum of classroom and Internet-based courses and increase the number of training instances.
	Improve the professional skills of present and future Federal IT leaders.

Compete Effectively for the Federal Market

<p><u>Public Buildings Service</u> Leasing Operations</p>	<p>Improve the percentage of annual lease costs for new leases that are at or below the cost of equivalent space obtained by the private sector from 98.8% in FY 2000 to 98.9% in FY 2001.</p>
<p><u>Federal Supply Service</u> Supply and Procurement</p>	<p>Increase Federal agencies' use of GSA sources of supply by 8% over FY 2000 by providing additional products and services and by making it easier to access FSS products and services.</p>
<p>Vehicle Acquisition & Leasing</p>	<p>Increase GSA's share of Federal fleet.</p>
<p>Travel and Transportation</p>	<p>Maintain savings of 45% to 47% compared to commercial rates for shipment of freight and household goods and for small-package express delivery services.</p>
<p><u>Federal Technology Service (Corporate)</u></p>	<p>Assist Federal agencies in achieving significant savings by providing high quality products and services at competitive prices that the demand for IT Solutions increases our overall business volume to obtain 15% of the Federal IT market.</p>
	<p>Achieve and maintain an appropriate level of full cost recovery to maximize service to Federal agencies and effect the greatest advantage to the Government.</p>
<p>Network Services</p>	<p>Acquire FTS2000/2001 prices that are lower than and remain competitive with average commercial prices.</p>
	<p>Reduce average monthly local line rate by 12% over FY 2000..</p>
<p><u>Child Care</u></p>	<p>Maintain/increase the number of children of Federal employees who receive care at GSA child care centers.</p>

Excel at Customer Service

<u>Public Buildings Service</u>	
Government-Owned Operations	Improve customer satisfaction for security services from 81% in FY 2000 to 81.5% in FY 2001.
	Improve overall customer satisfaction from 81% in FY 2000 to 82% in FY 2001..
Leasing Operations	Improve the percentage of customer satisfaction for leased space from 81% in FY 2000 to 82% in FY 2001.
Construction and Acquisition	Maintain a 90% customer satisfaction rating in newly constructed buildings.
<u>Federal Supply Service</u>	
Supply and Procurement	Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses
	Increase customer satisfaction with Supply and Procurement programs.
Vehicle Acquisition and Leasing	Meet or Exceed Customer Expectations.
Travel and Transportation	Increase customer satisfaction with FSS travel and transportation programs.
Personal Property Management	Increase customer satisfaction with Personal Property Management services.
<u>Federal Technology Service (Corporate)</u>	Be Customer-Centric -Increase customer satisfaction with FTS representatives and products/services by 2.8% over FY 2000..
	In response to the goals of customer agencies and the Federal Government, achieve and maintain an appropriate business volume with small business as a percent of prime contracts.
	Be Customer Centric - Reduce acquisition cycle times.
<u>Office of Governmentwide Policy</u>	
Govtwide Policy Infrastructure	Improve accessibility to shared databases and information on best practices and policies for Government, industry and the public's use.
<u>Consumer Information Center</u>	Increase the magnitude and quality of the outreach of Federal consumer information through the effective delivery of services to other Federal agencies, the print and broadcast media, and the public.

Anticipate Future Workforce Needs

<p><u>Federal Supply Service</u></p> <p>Supply and Procurement</p>	<p>Increase the number of products available to Federal customers via electronic systems and Internet connectivity.</p>
<p>Vehicle Acquisition and Leasing</p>	<p>Fill 100% of requests for alternative fuel vehicles.</p>
<p>Travel and Transportation</p>	<p>Increase the percentage of audits performed electronically.</p>
<p><u>Federal Technology Service (Corporate)</u></p>	<p>Provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker by making available new and enhanced service offerings and increasing the number of actions awarded by 2 percent over FY 2000.</p>
<p><u>Office of Governmentwide Policy</u></p> <p>Governmentwide Policy Infrastructure</p>	<p>Establish policies, standards and best practices to help develop an interoperable, single face for government electronic business transactions.</p>
<p>Leadership and Support for Governmentwide Improvement Initiatives</p>	<p>Provide a "single face" for industry to find opportunities to do business with the Federal Government.</p>
	<p>Provide a prototype Federal gateway to the Internet to make Government information more accessible to the public.</p>
<p><u>Child Care</u></p>	<p>Achieve 100% accreditation of all eligible GSA child care centers.</p>

VI. PUBLIC BUILDINGS SERVICE

The Public Buildings Service (PBS) is the largest commercial-style real estate organization in the nation. Providing workspace for a million Federal employees nationwide, PBS provides real estate and related services for more than 100 Federal organizations. It constructs, leases, manages, maintains, and protects office buildings, Federal courthouses, border stations, laboratories, data processing centers, warehouses, and child care centers. It oversees 40% of all Federal office space—a total of 335 million square feet—providing centralized management and procurement services and quality work environments. PBS also sells and disposes of surplus government properties.

PBS manages space in approximately 8,300 properties: 1,900 are Government-owned and 6,400 are leased from the private sector. More than 400 of the Government-owned properties have some historic significance. In FY 2001, 93% of PBS expenditures of more than \$5 billion is expected to flow to the private sector through contracts for design, construction, cleaning, maintenance, utilities, repairs, security, and other services.

PBS generates revenue from the rent it collects from the agencies it houses. These revenues, deposited in the Federal Buildings Fund (FBF), are used to pay the expenses of operating PBS buildings, reimbursing lessors, and managing our business. The balances are available for reinvestment in maintaining and modernizing our assets, interest payments, debt reduction and for new capital investment such as new construction and acquisition.

The PBS vision is to be recognized as the *best* public real estate organization in the world. Achieving this vision requires a number of changes in the way PBS does business. In particular, PBS management is committed to:

Making Internal Improvements. PBS has developed and is operating an ongoing practice of measuring accomplishment in each of its major programs. A formal connection has been established between organizational performance, assessed through internal and external benchmarks and cost indicators, and rewards. PBS has developed a comprehensive system that goes beyond rewarding regional organizations and relates performance to rewards for teams and individual employees.

Operating and investment decisions are based on return-on-investment and other cost-benefit criteria. The PBS space inventory, vacancy rates, and building improvements are carefully managed from this business-like perspective. Pricing and service arrangements are commercially equivalent, and effective. Reducing response and delivery times, benchmarking, building operations and leasing costs, while improving customer satisfaction scores and net income are promoted through quarterly General Performance Reviews. PBS regions and field offices are engaged in friendly competition over performance. PBS employees are receiving intense training in various customer-service, financial, and business practices.

Changing External Perceptions. PBS' goal is to be perceived as the best in every core business in which it is engaged. PBS is expanding the concept of design excellence beyond its world-class award-winning new buildings to improving the entrances and lobbies of its existing buildings. It reaches out more to the communities surrounding Federal facilities through its Good Neighbor, Planning with Communities and Livability programs. It fosters a mixed use of PBS buildings and reuse of historic buildings. PBS is forging a world-class security system by revamping its approach to security. PBS is committed to providing safe work places while keeping public buildings open to the public.

Recapturing Market Share. Offering its customers a portfolio approach, PBS provides simple, customer friendly solutions. PBS brings all of GSA's services to its customers, providing one stop shopping to fulfill all its customers' workplace needs. In so doing, and by being easy to do business with, PBS demonstrates to other agencies that they don't need large in-house real estate staffs. These services will be the standard fare PBS offers its customers.

PBS performance goals for FY 2001 support its vision. PBS aims to:

- optimize revenues from Government-owned buildings while holding costs below commercial levels
- complete construction and repairs and alteration projects on time and within budget
- dispose of excess Federal real estate cost-effectively and with a view toward optimal uses
- continue to improve customer-satisfaction ratings

The PBS performance goals are discussed on the following pages. Among the terms used in this discussion are:

Long Term Performance Goal – This is a 3 to 5 year target level of performance, expressed as a tangible, measurable objective, against which actual achievement can be compared. The defined goal is a quantitative standard, value or rate, and can be either outcome or output oriented.

Annual Performance Goal – This is a one-year (budget year) target level of performance, expressed as a tangible, measurable objective, against which actual achievement can be compared. The defined goal is a quantitative standard, value or rate, and can be outcome or output oriented.

Performance Measure – This is a particular value, characteristic, or comparison used to measure or assess outcome or output.

Verification/Validation. In order to track and assess performance, we obtain and use data from a variety of internal and external sources. These sources support multiple performance goals. Rather than addressing the verification and validation aspects of the data source(s) for each performance goal, this issue is discussed for all goals in the Management Challenges and Solutions on page 48.

A. Government-Owned Operations

Providing well managed government-owned space to federal employees leads to the greatest value to the taxpayer and the lowest cost for customer agencies. PBS strives to house long-term tenants in government owned space and also utilize vacant owned space to satisfy short-term tenant space needs.

Property management provides the day-to-day operations in GSA-managed facilities, including repairs, minor alterations, utilities and tenant services, managing properties nationwide through 11 regional offices and 32 property management centers. It maintains the building inventory in acceptable condition, and ensures an acceptable level of customer service and revenue to the Federal Buildings Fund.

Good business practice dictates that PBS make every effort to optimize its resources to keep the Government-owned inventory in a modern condition, so that it attracts new tenants and retains existing tenants in productive and secure workspace. In addition, PBS must provide the resources necessary to acquire and/or construct new Government-owned buildings, when such ownership is in the best interests of the government. PBS must also provide the resources necessary to fulfill various other aspects of its mission, such as energy conservation, historic preservation, and removal of harmful chemicals from the environment.

Government-Owned Operations

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Long Range Performance Goal: **Generate, from within the FBF, an annual capital investment contribution of between 2.5% to 4.5% of the functional replacement value of the owned inventory for each of the next 5 years.**

Annual Performance Goal: **Generate a capital investment contribution of 2.5% of the functional replacement value of the owned inventory.**

The primary source of revenue to the Federal Buildings Fund is rental receipts from the tenant agencies we house. The majority of the revenue is used to operate buildings, lease space and provide continuity for our day-to-day operations. The remainder represents the “contribution” available for capital investment: basic repairs, modernization, interest payments, debt reduction and a modest new construction program. To the extent that PBS is successful in collecting revenue and reducing expenses, we generate this “contribution”.

Performance Measure:

The performance measure is “contribution” available for capital investment expressed in terms of an absolute dollar amount and a percentage of the Functional Replacement Value (FRV) of the owned inventory. It is computed as follows:

$$\begin{aligned} & \text{REVENUE FROM OPERATIONS MINUS NEW OBLIGATIONAL AUTHORITY FOR:} \\ & \qquad \qquad \qquad \text{BUILDING OPERATIONS} \\ & \qquad \qquad \qquad \text{RENTAL OF SPACE} \\ & \\ & \qquad \qquad \qquad \text{EQUALS} \\ & \qquad \qquad \qquad \text{“CONTRIBUTION” AVAILABLE FOR CAPITAL INVESTMENT} \end{aligned}$$

We estimate the FRV for FY 2001 at \$32.9 billion. Our performance targets are:

	<u>Total Contribution</u>	<u>% of FRV</u>
FY 1999 Actual:	\$1.2 B*	4.1%
FY 2000 Target:	\$1.1 B	3.5%
FY 2001 Target:	\$1.0 B	3.1%

PBS tracks accomplishment of this goal by measuring Funds from Operations (FFO). In previous performance plans, PBS tracked FFO on a per square foot basis. It is important for PBS as a measure of actual performance. It does not equate well to budget formulation and requests for new obligational authority. "Contribution" to capital investment is a new measure and more appropriate for linking requests to new obligational authority.

Budget Link:

This contribution will provide for:

Repairs and Alterations (Prospectus)	\$431 M
Repairs and Alterations (Minor)	\$290 M
New Construction (Border Stations, U.S. Mission to UN, etc.)	\$107 M
Interest Payments and Debt Reduction	\$256 M

Strategies:

The following strategies are designed to reduce expenses or increase revenue and thus increase the contribution amounts. These strategies, their performance measures and budget links are discussed in detail on the following pages.

- Maintain/reduce building operating costs at a level below Private Sector benchmarks
- Reduce the amount of non-revenue producing space in the owned PBS inventory
- Pursue energy conservation goals established by law and Executive Order
- Reduce indirect costs

We will also maintain and improve management information systems (e.g., the System for Tracking and Administering Real Property, STAR). This effort will provide asset managers with better real-time information for managing our real property assets, ensuring accurate billing and revenue collection.

Data Source:

National Electronic Accounting and Reporting System (NEAR).

*Includes carryover of unobligated funding resulting primarily from Congressional language which prohibited PBS from obligating a portion of our FY 1999 operating fundings until the last day of the year.

Government-Owned Operations

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Long Range Performance Goal: **Maintain building operations costs in office and office-like (courthouses, labs, child care facilities, etc.) space at 12% below private sector benchmarks.**

Annual Performance Goal: **Maintain building operations costs in office and office-like space to 12% below private sector benchmarks.**

By actively controlling cleaning, maintenance, and utility costs, PBS keeps its costs well below the industry average, provides our tenants with quality workspace, and contributes to our capital program. PBS has developed several sophisticated benchmarks to monitor operations costs—maintenance, utilities, and cleaning—in comparison with those in equivalent private sector buildings.

We have intentionally held this target flat for FY 2001. Some of our data indicates that further increasing the differential between GSA and private sector benchmark costs might have a negative impact on customer satisfaction. We are working to isolate the main drivers of customer satisfaction so we can more effectively direct our resources.

Performance Measure:

Percentage difference between GSA's operating costs per rentable square foot for office and office-like space and private sector costs.

FY 1999 Actual:	13% below
FY 2000 Target:	12% below
FY 2001 Target:	12% below

PBS operated our office space 13% below private sector costs in FY 1999, exceeding our target of 11%. Targets for FY 2000 and FY 2001 have been adjusted to only 12 % because our data indicates that further decreasing the differential between PBS and the private sector might have a negative impact on customer satisfaction. We are working to isolate the main drivers of customer satisfaction so that we can more effectively direct our resources.

Budget Link:

We are benchmarking \$446 million of a total cleaning, maintenance, and utility request of \$718 million. We are searching for benchmarks for the remaining amount

- \$27.8 million of our total Building Operations Information Technology request (of \$48.4 million) supports this responsibility segment by providing electronic information used to make daily business decisions, regarding our inventory (e.g. vacancy rates, operating costs, and building improvements.)
- The requested amount reflects an estimated cost saving of \$12.9 million from actions taken in FY 2000 such as introducing performance based contracts for cleaning. These savings have been incorporated into our base.

Strategies:

Continue to review service contracts for further opportunities for savings.

Utilize the National Center for Utilities Management (NCUM) to provide natural gas at reduced costs to Federal agencies nationwide.

Data Sources:

National Electronic Accounting and Reporting (NEAR) system

Building Owners and Managers Association's (BOMA) Experience Exchange Report

Government-Owned Operations

GSA

Strategic Goal	Promote Responsible Asset Management
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GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.
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Long Range Performance Goal: **Reduce the amount of non-revenue producing space in the Government-owned inventory to 9% in FY 2005.**

Annual Performance Goal: **Reduce the amount of non-revenue producing space in the Government-owned inventory from 13% in FY 2000 to 12% in FY 2001.**

Space that does not produce revenue reduces the amount of Funds From Operations and the “contribution” to capital that the Federal Buildings Fund generates. Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space. The information available in asset business plans enables building managers to judge the impact of vacant space on their individual building FFO targets and take corrective action. We estimate reductions in non-revenue producing space resulting from the FY 2001 program will increase annual revenue by \$20 million per year in the out-years.

Performance Measure:

Percentage of Government-owned inventory not producing revenue.

FY 1999 Actual:	13.5%
FY 2000 Target:	13.0%
FY 2001 Target:	12.0%

Budget Link:

- \$37.8 million is included in the Basic Repairs and Alterations budget to recapture 921 thousand square feet of space. This space is projected to come on line in FY 2003.
- Other funding requested in conjunction with vacant space recapture:
 - \$6 million for planned moves included in the Building Operations budget
 - \$10 million for lease buyouts is included in the Rental of Space budgetBy buying out leases, we are able to move tenants to fill other vacant lease space or vacant Government-owned space.

Strategies:

Deliver repairs and alterations projects on time. This ensures that vacant space under alteration is converted to vacant available or assigned space as quickly as possible.

Realign space assignments in owned buildings to consolidate vacant space to produce marketable blocks of vacant space for assignment.

Continue the use of occupancy agreements for all new assignments. These agreements clearly delineate the requirements/responsibilities of the customer and PBS and should eliminate gaps between when space becomes available and when the revenue stream begins.

Pursue alternatives for underutilized properties.

Buy out existing leases and move tenants into Government-owned space.

Data Source:

System for Tracking and Administering Real Property (STAR)

Government-Owned Operations

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Long Range Performance Goal: Reduce indirect costs as a percentage of revenue.

Annual Performance Goal: Reduce indirect costs as a percentage of revenue from 10.7% in FY 2000 to 10.1% in FY 2001.

PBS defines as indirect those costs not directly charged to a building. This definition includes salary and support costs for headquarters and regional management, facility and realty service providers, information technology, common administrative services and financial services.

PBS is committed to an organizational infrastructure that provides the right mix of human, financial, information technology, management, and other resources at the right price. To help us determine the proper mix at the right price, we engaged Logistics Management Institute (LMI) to benchmark comparable portions of our indirect costs with private and public organizations. The results of the study were ambiguous because only one-third of the costs PBS defines as indirect were comparable to private sector indirect costs. However, of those costs we were able to directly compare, PBS was far below industry and government benchmarks.

As a result of the difficulty in making a meaningful private sector comparison, PBS will use actual indirect costs for FY 1999 as the baseline for improvement. However, we will continue working to develop private sector benchmarks.

Performance Measure:

Indirect costs as a percentage of revenue

FY 1999 Actual:	10.3%
FY 2000 Target:	10.7%
FY 2001 Target:	10.1%

The targets are based on budgeted indirect costs as a percent of revenue from operations.

Budget Link:

The PBS Building Operations budget request for total indirect costs is \$589 million for 2001.

Strategies:

Continue to utilize the Linking Budget to Performance initiative as an incentive for Regions to monitor and find ways to reduce indirect costs.

Continue working to develop private sector benchmarks.

Data Sources:

Logistics Management Institute (LMI)

National Electronic Accounting and Reporting (NEAR) system

Government-Owned Operations

GSA

Strategic Goal	Excel at Customer Service
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GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.
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Long Range Performance Goal: **Achieve an overall customer satisfaction rating of 85% for security services.**

Annual Performance Goal: **Improve customer satisfaction for security services from 81% in FY 2000 to 81.5% in FY 2001.**

PBS provides quality space in a timely manner that is responsive to agency requirements. PBS polls agencies annually using a survey developed by the International Facilities Management Association (IFMA) to determine customer satisfaction levels. PBS will use the nationwide customer tenant satisfaction scores established over a number of years by the Gallup Organization to measure satisfaction with PBS security services.

Performance Measure:

Percentage of tenants that rate PBS security as satisfactory or better.

	<u>Overall Satisfaction</u>
FY 1998 Baseline	80.5%
FY 1999 Actual	*
FY 2000 Target	81.0%
FY 2001 Target	81.5%

* The results of our 1999 customer satisfaction survey will be available shortly and will be posted on our web site. Future surveys will be conducted in time to include the results in the Performance Plan.

In our previous performance plan, we made an attempt to benchmark the cost of contract guards with private sector experts. The development of this measure was completed in FY 99, and data was collected to establish a national baseline. During its implementation, however, program examination surfaced problems which questioned the validity of the comparisons in representing security functions and costs. Additionally, serious objections were anticipated, both internally and politically; that we were emphasizing saving money rather than protecting lives.

Budget Link:

Building Operations request contains \$258.2 million for security services.
Line Item Repairs and Alterations request contains \$30 million for glass fragmentation retention.

Strategies:

Continue application of the customer-oriented protection (COP) strategy to provide a FPS presence in more cities and buildings. Shifting from a reactive posture of patrol and incident response to a proactive stance of crime prevention and threat reduction enhances our visibility and delivery of law enforcement and security services to our tenants and effectively raise customer satisfaction.

The new PBS Law Enforcement and Security Officer (LESO) position is be a catalyst for implementing the COP strategy. The LESO is a multi-skilled uniformed officer trained in physical security, law enforcement, and criminal investigation tactics. The LESO position provides a point of contact for focusing on tenant issues and addressing tenant concerns.

PBS/FPS Megacenters (dispatch centers) ensure uninterrupted delivery of security services in a national emergency. These centers enhance delivery of effective and timely response to call for services and improve customer satisfaction with FPS security response.

PBS will provide additional window protection recommended by the Department of Justice to provide glass fragment retention for windows in Federal buildings..

PBS will educate customer agencies on security pricing and the FPS menu of services through brochures and customer outreach.

Government-Owned Operations

GSA

Strategic Goal	Excel at Customer Service
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GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.
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Long Range Performance Goal: **Achieve an overall 85% customer satisfaction rating.**

Annual Performance Goal: **Improve overall customer satisfaction from 81% in FY 2000 to 82% in FY 2001.**

PBS provides quality space in a timely manner that is responsive to agency requirements. PBS polls agencies annually using a survey developed by the International Facilities Management Association (IFMA) to determine customer satisfaction levels.

Performance Measure:

Percentage of tenants that rate PBS owned and operated space and services as satisfactory or better.

FY 1998 Actual:	80%
FY 1999 Actual:	*
FY 2000 Target:	81%
FY 2001 Target:	82%

* The results of our 1999 customer satisfaction survey were not finalized in time to be included. Future surveys will be conducted in time to include the results in the Performance Plan.

Budget Link:

PBS has been working to become a customer oriented organization. We are striving to improve customer satisfaction by reaching out to our customers and being proactive, visible, informative, and responsive to their needs. No facility management expenditures are earmarked to customer satisfaction per se, although the right expenditures at the right time can certainly improve it. We are finding that improved satisfaction comes mostly from being visible and informative to our customers. We are currently attempting to isolate "drivers" of satisfaction and may eventually be able to price some of them. For the present, we are finding that a "high touch" approach is a very inexpensive way of improving customer satisfaction.

Our Building Operations request includes \$700,000 for the cost of the tenant survey for both owned and leased buildings.

Strategies:

Establish customer service representatives as the primary contact for GSA requiring property management services.

Conduct annual customer forums to inform customers on the latest services provided by GSA.

Increase communication to tenants through newsletters to provide results of past of past surveys

Use building survey data to develop and implement building specific improvement plans.

Use historical satisfaction data with new survey data to determine the effectiveness of building-specific improvement plans and adjust those plans as appropriate to raise customer satisfaction.

Data Source:

The Gallup organization.

Government-Owned Operations

GSA

Strategic Goal	Anticipate Future Workforce Needs
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GSA Strategic Objective	Ensure that all Federal buildings in the GSA inventory meet the highest Federal standards in terms of accessibility, energy consumption, systems, and technology.
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Long Range Performance Goal: **Meet the conservation goal to reduce energy consumption by 30% from the FY 1985 baseline in FY 2005.**

Annual Performance Goal: **Improve energy reduction from 20% below the FY 1985 baseline in FY 2000 to 22% below in FY 2001.**

The Energy Policy Act of 1992 requires agencies to reduce energy consumption 20% by FY 2000 compared to the FY 1985 base year. Executive Order 12902 stretches this goal and requires agencies to reduce energy consumption by 30% by FY 2005 also compared to FY 1985. [Executive Order 13123 increases our energy reduction goal to 35% in FY 2010.]

Performance Measure:

Percentage reduction from FY 1985 baseline

FY 1999 Actual:	17.3%
FY 2000 Target:	20%
FY 2001 Target:	22%

Budget Link:

- \$20 million is requested in the Line Item Repairs and Alterations budget. By investing in cost-effective energy projects in fiscal year 2001, we will realize out year savings. GSA will reduce energy consumption by approximately 1.9%, representing an annual future cost avoidance of \$3.8 million, and move us towards meeting the 30% and 35% reduction goals of 2005 and 2010, respectively.

Strategies:

Support projects using cost effective renewable energy technologies.

Data Source:

Energy Usage and Analysis System (EUAS)

B. Leasing Operations

Leasing operations provides for funding recurring payments for existing and replacement lease contracts, temporary expansion space in support of major repairs and alterations projects, relocations from Federal buildings due to forced moves, and relocations due to health and safety conditions. Unanticipated demand during a fiscal year for expansion space for new or expanded agency programs is provided under GSA's indefinite authority provision.

PBS provides workspace for Federal employees in approximately 6,400 leased properties. Currently, leased space accounts for 45 percent of our total space inventory by square footage, and more than 50 percent of the employees we accommodate are in leased space. In recent years, we dramatically reduced the time and cost to deliver leased space to agencies, providing services comparable to those of private real estate services. While agencies are free to use private services if they wish, most prefer to continue using PBS. To continue a high level of service to federal client agencies with fewer PBS employees, PBS contracted with a number of private real estate firms to help the Government lease space in local markets and provide such services as lease administration and renegotiations, requirements development, market surveys, and out-leasing.

The goals of Leasing Operations are to reduce the amount of non-revenue producing space, provide leased space for client agencies at or below the cost of equivalent space obtained by the private sector and improve the percentage of satisfied customers.

Leasing Operations

GSA

Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Long Range Performance Goal: **Reduce the amount of non-revenue producing leased space to 3.5%.**

Annual Performance Goal: **Reduce the amount of non-revenue producing space in the leased inventory from 3.6% in FY 2000 to 3.5% in FY 2001.**

Leased space that does not produce revenue reduces the amount of “contribution” for capital investment the Federal Buildings Fund generates. Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space. The information available in asset business plans enables building managers to judge the impact of non-revenue producing space on their individual building FFO targets and take corrective action.

Performance Measure:

Percentage of leased inventory not producing revenue.

FY 1999 Actual:	3.7%
FY 2000 Target:	3.6%
FY 2001 Target:	3.5%

The targets are different from those in last year’s plan. The original targets were developed during a change over to a new management information system (STAR). As with any major system changeover, we experienced problems with the accuracy of the resident data. The updated targets in this plan are the results of more accurate data.

Budget Link:

- \$10 million is earmarked to buyout leases where economically feasible and relocate tenants to vacant leased and/or government owned space. (included in \$2.94 billion Rental of Space).
- \$1.3 million is included in the Basic Repairs and Alterations budget to recapture 72 thousand square feet of vacant lease space.
- \$6.1 million of our total Building Operations Information Technology request (of \$48.4 million) supports this responsibility segment by providing direct access to space management information and customer billing records. This information allows us to monitor the vacant space in our lease inventory and take appropriate action to reduce.

Strategies:

Plan tenant expansions and downsizing more effectively to minimize vacant leased space.

Make resources available to buy out leases and move tenants from leased to vacant available space in Government-owned buildings.

Data Source:

System for Tracking and Administering Real Property (STAR)

Leasing Operations

GSA

Strategic Goal: Compete Effectively for the Federal Market

GSA Strategic Objective: Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Long Range Performance Goal: Provide leased space for client agencies at or below the cost of equivalent space obtained by the private sector.

Annual Performance Goal: Improve the percentage of annual lease costs for new leases that is at or below the cost of equivalent space obtained by the private sector from 98.8% in FY 2000 to 98.9% in FY 2001.

For a variety of reasons such as tenant build-out requirements and space availability, a certain number of leases fall into the high range of market rates. To minimize those falling in the high range, we work with our customer agencies to identify and develop their requirements and match their needs at a cost that is at or below the cost of equivalent space obtained by the private sector.

Performance Measure:

Percentage of annual lease cost for new leases at or below the cost of equivalent space obtained by the private sector.

FY 1999 Actual:	98.7%
FY 2000 Target:	98.8%
FY 2001 Target:	98.9%

The percentage is computed by dividing the annual cost of new leases at or below the market by the total annual cost of new leases.

Budget Link:

- The Rental of Space account contains \$2.94 billion in new obligational authority for FY 2001.
- Buildings Operations contains \$6 million for Brokers Contracts and \$10 million for training of real estate specialists.

Strategies:

Improve the negotiating skills of real estate specialists to ensure we get the best price possible for the space we lease.

Increase the use the Real Estate Brokers contract to expand capacity . This allows our specialist to focus more attention on the business relationship with our customer.

Data Sources:

We use benchmarks provided by the Society for Industrial and Office Realtors.

System for Tracking and Administering Real Property (STAR)

National Electronic Accounting and Reporting (NEAR) system

Local Market Index

Leasing Operations

GSA

Strategic Goal Excel at Customer Service

GSA Strategic Objective Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Long Range Performance Goal: **Achieve an 85% customer satisfaction rating.**

Annual Performance Goal: **Improve the percentage of customer satisfaction for leased space from 81% in FY 2000 to 82% in FY 2001.**

Performance Measure:

Percentage of tenants that rate leased space & services as satisfactory or better.

FY 1998 Actual:	80%
FY 1999 Actual:	*
FY 2000 Target:	81%
FY 2001 Target:	82%

* The results of our 1999 customer satisfaction survey were not finalized in time to be included. Future surveys will be conducted in time to include the results in the Performance Plan.

Budget Link:

PBS has been working to become a customer oriented organization. We are striving to improve customer satisfaction by reaching out to our customers and being proactive, visible, informative, and responsive to their needs. No facility management expenditures are earmarked to customer satisfaction per se, although the right expenditures at the right time can certainly improve it. We are finding that improved satisfaction comes mostly from being visible and informative to our customers. We are currently attempting to isolate "drivers" of satisfaction and may eventually be able to price some of them. For the present, we are finding that a "high touch" approach is a very inexpensive way of improving customer satisfaction.

The Building Operations request includes \$6.0 million for Brokers Contracts and \$700,000 for the cost of the tenant survey.

Strategies:

Use building survey data to determine those factors that drive each building's level of tenant satisfaction. This will help us identify the areas of improvement that will yield the greatest gains in satisfaction.

Use historical survey data in re-lease actions, to make clients, building owners, and GSA aware of satisfaction problems before re-lease is considered.

Establish customer service representatives as the primary contact for GSA requiring property management services.

Conduct annual customer forums to inform customers on the latest services provided by GSA.

Involve lessors in the development of improvement plans and have them provide information to the tenants on the improvements they have made.

Assess customer satisfaction with new leases. This helps determine whether we are leasing space that meets clients' needs.

Assess customer satisfaction trends. This helps us assess whether PBS efforts in lease management have helped to improve customer satisfaction.

Increase the use the Real Estate Brokers contract to expand capacity . This allows our specialist to focus more attention on the business relationship with our customer.

Data Source:

The Gallup Organization.

C. Construction and Acquisition

PBS surveys the housing needs of its client agencies and the availability of Federal housing in communities nationwide. We recommend construction projects to meet new housing needs of an agency or to consolidate several dispersed agencies with long-term housing requirements.

PBS' experience has shown that a construction and ownership solution for special purpose and unique facilities, such as courthouses and border stations, is often the best housing solution because these facilities are not readily available in the real estate market. PBS may purchase existing facilities and may also acquire construction sites through purchase or exchange.

These expenditures are justified by the same stringent return on investment (ROI) analysis used to justify other capital and repair and alteration expenditures. By applying our Treasury-based "hurdle rate" of 6.1 percent, we ensure the non-prospectus construction projects represent opportunities to invest the Government's resources wisely.

The goals of Construction and Acquisition are timely completion of construction projects, minimization of cost overruns, and meeting customer needs.

Construction and Acquisition

GSA

Strategic Goal	Promote Responsible Asset Management
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GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.
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Long Range Performance Goal: **Improve the percentage of construction projects completed on schedule to 85% in FY 2005.**

Annual Performance Goal: **Improve the percentage of construction projects completed on schedule from 80% in FY 2000 to 81% in FY 2001.**

Rental income projections are based on anticipated dates of occupancy. Completing projects on time is essential for income optimization, cost control and customer satisfaction. It is therefore critical that projects are completed on time (within 90 days of scheduled delivery) so that they can begin to generate expected revenue.

Performance Measure:

Percentage of construction projects over \$10 million completed on schedule. (Weighted by cost)

FY 1999 Actual:	59% ¹
FY 2000 Target:	80 % ²
FY 2001 Target:	81% ²

Budget Link:

- Direct Appropriation:

\$488.5 million for courthouse construction

\$184.2 million for facilities for the Bureau of Alcohol, Tobacco and Firearms (ATF) and the Food and Drug Administration (FDA) – (non-courts)From Within the Fund

¹ PBS did not achieve the FY 1999 target of 78% because two of the largest construction projects, Santa Ana Courthouse and the Sacramento Courthouse, both in California, exceeded their delivery date. In both cases, PBS experienced significant problems with the engineering and fabrication of the curtain wall and building shell.

² We have been reviewing this measure . Ideally, it should reflect project delivery that is on-time, within budget and achieves the financial goals of the project. The revised measure will identify the impact of project delivery or budget changes and will quantify the impact in net present value. We expect this revised measure to be developed and implemented during FY 2000.

\$107 million for non-courts new construction (excluding ATF and FDA)

\$4.8 million of our total Building Operations Information Technology request (of \$48.4 million) supports this responsibility segment by providing information related to project scope, scheduling and funding.

- We anticipate that 5 new construction projects will be completed in FY 2001 with an appropriated value of \$307 million.

Strategies:

Limit project changes that cause delays by obtaining up-front commitment from client agencies on scope, schedules, and costs.

Maintain and improve management information systems that provide project managers with better real-time information about project status.

Continue PBS commitment to its Design and Construction Excellence programs which reflect industry practice in the contracting and management of construction. PBS no longer relies on low bid contracting as it moves towards best value methods. These include selection of contractors based on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects, as well as a solid track record of dealing with scope, budget and schedule.

Data Source:

Project Management Toolbox (PMT) system.

⁸⁸₂⁸ We have been reviewing this measure . Ideally, it should reflect project delivery that is on-time, within budget and achieves the financial goals of the project. The revised measure will identify the impact of project delivery or budget changes and will quantify the impact in net present value. We expect this revised measure to be developed and implemented during FY 2000.

Construction and Acquisition

GSA

Strategic Goal	Promote Responsible Asset Management
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GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.
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Long Range Performance Goal: **Reduce the cost escalation rate for new construction projects to 1%.**

Annual Performance Goal: **Reduce the cost escalation rate for new construction projects from 2% in FY 2000 to 1% in FY 2001.**

PBS manages the construction program within budgets provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming for the project that raises total project cost above the original appropriation amount. For this measure, we track all prospectus level projects above \$10 million completed during the fiscal year.

Performance Measure:

Total cost of projects over \$10 million completed during a fiscal year expressed as a percentage of the total original appropriation for those projects.

FY 1999 Actual:	0.8%
FY 2000 Target:	2%
FY 2001 Target:	1%

Budget Link:

We anticipate that 5 new construction projects will be completed in FY 2001 with an appropriated value of \$307 million.

Strategies:

Continue PBS commitment to its Design and Construction Excellence programs which reflect industry practice in the contracting and management of construction. PBS no longer relies on low bid contracting as it moves towards best value methods. These include selection of contractors based on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects, as well as a solid track record of dealing with scope, budget and schedule.

Limit project changes that cause cost escalations by obtaining up-front commitment from client agencies on scope, schedules, and costs.

Construct all Courthouse projects in accordance with the Courts Design Guide requirements.

Continue to use private sector cost bench marks to validate our estimates.

Data Source:

National Electronic Accounting and Reporting (NEAR) system

Construction and Acquisition

GSA Strategic Goals Excel at Customer Service

GSA Strategic Objective Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Long Range Performance Goal: Maintain a 90% customer satisfaction rating in newly constructed buildings.

Annual Performance Goal: Maintain a 90% customer satisfaction rating in newly constructed buildings.

PBS achieves and maintains a high level of tenant satisfaction with newly constructed buildings through providing quality products and services at competitive prices while achieving significant savings for Federal agencies.

Performance Measure:

Percentage of satisfied customers.

FY 1998 Actual:	90%
FY 1999 Actual:	*
FY 2000 Target:	90%
FY 2001 Target:	90%

* The results of our 1999 customer satisfaction survey were not finalized in time to be included. Future surveys will be conducted in time to include the results in the Performance Plan.

Budget Link:

We anticipate that 5 new construction projects will be completed in FY 2001 with an appropriated value of \$307 million.

Strategies:

Use IFMA tenant satisfaction data for new buildings to help assess how well we are meeting customer agency space needs.

Continue to perform post occupancy evaluation surveys to identify good practices, benefit from lessons learned, and pursue improvements.

Data Source:

The Gallup Organization

D. Repairs and Alterations

The Repairs and Alterations (R&A) program funds work necessary to keep our building inventory in a proper state of repair, modernize outdated space and facilities, improve health and safety, recapture vacant Government-owned space, and address other special program needs. Our strategic plan gives top priority to investment in existing Government-owned assets to maintain their economic value; ensure our continuing ability to house Federal agencies and support their mission requirements; and enable GSA to charge market-comparable Rent rates sufficient to permit needed reinvestment in these assets over their life cycle.

The facilities under our stewardship have a Functional Replacement Value of approximately \$32.9 billion. The repair and upgrade of these assets is always our top priority for capital funds. Without sufficient funds to properly maintain and modernize our buildings, we will fail in our stewardship role and the value of this government resource will decline.

The major alteration program, combined with the basic program, is budgeted at approximately 2.2 percent of the FRV of the owned inventory. This amount falls in the range of the funding level recommended by the National Research Council and is consistent with private sector practice. The basic program is designed to ensure day-to-day operational continuity of assets in GSA's portfolio. This program is a major component of the Improve GSA brand concept through First Impressions, Retail Tenant Services, and Protection projects.

The basic program includes work in buildings below the prospectus threshold for basic repairs, health and life-safety, vacant space recapture, and PBS special programs. The basic program is essential for preserving PBS' capital assets between major reinvestments. PBS' objective is to provide consistent levels of quality space and services that meet the mission-related needs and expectations of client agencies housed in owned capital assets.

Performance goals related to this responsibility segment are to complete projects on time and within budget, and to meet client needs.

Repairs and Alterations

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Long Range Performance Goal: Improve the percentage of repairs and alterations projects completed on schedule to 85% in FY 2005.

Annual Performance Goal: Improve the percent of repair and alteration projects completed on schedule from 83% in FY 2000 to 84% in FY 2001.

PBS financial projections include expected rental income from buildings undergoing modernization. As with new construction, completing these modernization projects on schedule (within 90 days of scheduled delivery) ensures they can be occupied and produce revenue as planned.

Performance Measure:

Percentage of total dollars of repairs and alterations projects over \$10 million completed on schedule (weighted by cost):

FY 1999 Actual:	69% ¹
FY 2000 Target:	83% ²
FY 2001 Target:	84% ²

Budget Link:

- \$431 million for R&A prospectus level

¹ PBS did not achieve the FY 1999 target of 81% for a variety of issues and conditions impacting PBS delivery of the Repairs and Alterations program. These include redesign caused by unforeseen site conditions, changing tenant requirements and poor contractor performance. Some of the performance problems resulted in contract termination.

² PBS has been reviewing this measure internally for some time and have determined that it does not go far enough in providing the type of information we need to assess the effectiveness of our program. The real result we are looking for is whether we are we delivering what we promise to deliver on time and within budget and are we achieving the financial goals of the project. We are developing a new measure for construction and repairs and alterations projects. The revised measure will continue to track the delivery of projects by completion date and budget. The measure, however, will go one step further. It will identify any beneficial or adverse impact of project delivery or budget changes and will quantify the impact in net present value (NPV) dollars. We expect this revised measure to be fully developed and implemented during FY 2000

- \$9.7 million of our total Building Operations Information Technology budget request (\$48.4 million) supports this responsibility segment by providing information relating to project scope, scheduling and funding.
- We anticipate that 5 R&A projects will be completed in FY 2001 with an appropriated value of \$102 million.

Strategies:

Limit project changes that cause delays by obtaining up-front commitment from client agencies on scope, schedules, and costs. .

Maintain and improve management information systems that provide project managers with better real-time information about project status.

Continue PBS commitment to its Design and Construction Excellence programs which reflect industry practice in the contracting and management of construction. PBS no longer relies on low bid contracting as it moves towards best value methods. These include selection of contractors based on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects, as well as a solid track record of dealing with scope, budget and schedule.

Data Source:

Project Management Toolbox (PMT) system.

Repairs and Alterations

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Long Range performance Goal: Reduce the cost escalation rate for repairs and alterations projects to 1%.

Annual Performance Goal: Reduce the cost escalation rate for repairs and alterations projects from 2% in FY 2000 to 1% in FY 2001.

PBS manages the line item Repairs and Alterations program within budgets as provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming for the project that raises total project cost above the original appropriation amount. For this measure, we track all prospectus level projects above \$10 million completed during the fiscal year.

Performance Measure:

Total cost of projects over \$10 million completed during a fiscal year expressed as a percentage of the total original appropriation for those projects.

FY 1999 Actual:	-2%
FY 2000 Target:	2% ¹
FY 2001 Target:	1% ¹

Budget Link:

We anticipate that 5 R&A projects will be completed in FY 2001 with an appropriated value of \$102 million.

-49-

¹ PBS has been reviewing this measure internally for some time and have determined that it does not go far enough in providing the type of information we need to assess the effectiveness of our program. The real result we are looking for is whether we are delivering what we promise to deliver on time and within budget and are we achieving the financial goals of the project. We are developing a new measure for construction and repairs and alterations projects. The revised measure will continue to track the delivery of projects by completion date and budget. The measure, however, will go one step further. It will identify any beneficial or adverse impact of project delivery or budget changes and will quantify the impact in net present value (NPV) dollars. We expect this revised measure to be fully developed and implemented during FY 2000

Strategies:

Limit project changes that cause cost escalations by obtaining up-front commitment from client agencies on scopes, schedules, and costs. Completing projects within budget allows us to realize the return on investment expected.

Use design options that allow us to scale back a project to adjust for reductions to budget or bids higher than estimates.

Continue PBS commitment to its Design and Construction Excellence programs which reflect industry practice in the contracting and management of construction. PBS no longer relies on low bid contracting as it moves towards best value methods. These include selection of contractors based on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects, as well as a solid track record of dealing with scope, budget and schedule.

Data Source:

National Electronic Accounting and Reporting (NEAR) System

E. Property Disposal

The Public Buildings Service provides our customers with real property disposal services in a timely and cost effective manner. This program promotes the maximum utilization and efficient redeployment of Federally owned real property through Federal transfers, public benefit discount conveyances and negotiated and public sales. This program receives direct and reimbursable funding. The direct program provides services related to utilization and disposal by sale, exchange, or transfer of real property reported as excess to GSA. The reimbursable program provides similar services for other agencies on a fully reimbursable basis. Our budget request provides for GSA's Real Property Disposal program to operate its business function using a comprehensive business plan that integrates strategic and tactical actions along with a marketing plan to improve quality and customer satisfaction.

The performance goal related to this responsibility segment is to maintain a dollar returned to dollar invested ratio of \$16:1.

Property Disposal

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Conserve taxpayers' investment in real and personal property and maximize the Government's return on investment.

Long Range Performance Goal: Realize a ratio of \$17 returned to the government for every \$1 invested in disposal efforts.

Annual Performance Goal: Improve the dollar returned to dollar invested ratio from \$15:1 in FY 2000 to \$16:1 in FY 2001.

PBS provides real estate services for our clients that address the best ways to meet the Government's needs. If property is underutilized, PBS works with the client agency to release the excess property. If the property is deemed surplus, we manage the disposal process to ensure the laws are followed and taxpayers receive maximum return on their investment.

PBS is currently measuring the performance of this program by using a dollar returned to dollar invested ratio. However, we recognize the importance of cycle time in the disposal of real property. The environment of real estate management is constantly changing and more agencies are under increased pressure to reduce costs and divest of unneeded assets. Our customers must maintain property until it has been disposed. Disposing of property in a timely manner will produce tangible cost savings. We are developing a cycle time measure to track and report cycle time for properties subject to the Federal Property and Administrative Services Act of 1949. The reimbursable program is being studied universally with the intention of including cycle time for these transactions at the conclusion of this study. Baseline and target data will be identified before third quarter, FY2000.

Performance Measure:

Ratio of dollar returned to dollar invested:

FY 1999 Actual:	15:1 (\$448 million : \$29 million)
FY 2000 Target:	15:1 (\$475 million : \$31 million)
FY 2001 Target:	16:1 (\$672 million : \$42 million)

THE DOLLARS RETURNED ARE COMPUTED AS FOLLOWS:

- THE HIGHEST AND BEST USE APPRAISED VALUE OF TRANSFERS OF FEDERAL PROPERTIES TO FEDERAL AGENCIES, STATE GOVERNMENTS, AND LOCAL ENTITIES
- SALES PRICE OF PROPERTIES SOLD TO PRIVATE SECTOR ENTITIES.

Budget Link:

\$42 million is budgeted for the Office of Property Disposal.

Strategies:

Enhance property utilization program by continuing to streamline and improve the utilization survey process and continue partnering with landholding agencies under Executive Order 12512 to identify excess real property and expand the disposal inventory.

Development and implementation of a web site for intergovernmental asset information and sales. This web site will provide an on-line government-wide database of surplus and abandoned property assessable by the public (potential bidders and buyers) with on-line auction similar in concept to eBay.com. The expected outcomes are increased exposure, enhanced revenue, decreased duplication of effort by other disposal agencies and reduced expenses. Phase 1 will identify all agencies, types of properties, agency database characteristics and a plan for constructing an architecture that will bring this information to a common portal site for access by the public. Phase II will be the actual operation, including offering properties for sale online.

We are developing a knowledge management database. Having a central database makes answers to commonly asked questions readily available, facilitating the decision-making process.

We are developing a marketing program for each of our top 10 customers. This permits the use of contracts that fully employ economy of scale purchasing power. As a result, costs are kept down while the return on dollars expended is increased.

Continue use of contracts to handle increasing workload with limited personnel.

Data Sources:

National Electronic Accounting and Reporting (NEAR) system

Real Estate Activity Locator System

Management Challenges and Solutions

PBS is striving to be the best public real estate organization in the world. In order to become the best, PBS is addressing the following management challenges:

1. Verification and Validation of Data

PBS understands that the value of performance measures depends on the reliability of the supporting data. We have evidence to show that the majority of our data sources such as the National Electronic Accounting and Reporting (NEAR) system, Building Owners and Managers Association (BOMA) Experience Exchange Report, Energy Usage and Analysis System (EUAS), Logistics Management Institute (LMI), and the Gallup Organization are very reliable.

- The National Electronic and Accounting System (NEAR) is GSA's corporate accounting system. Financial statements from NEAR are audited annually under the Federal Manager's Financial Integrity Act. This annual independent audit of GSA's financial statements has produced an unqualified opinion for the twelfth consecutive year.
- The Building Owners and Managers Association's (BOMA) Experience Exchange Report. BOMA is an advocacy group for the real estate industry. It is a federation of 94 local associations whose members own or manage more than 6 billion square feet of downtown or commercial properties and facilities across America. BOMA is recognized for its expertise in the field of real property, frequently testifying before Congress and working with property holding agencies. The Exchange Report is a database that contains building operations statistics on more than 4000 buildings throughout the United States.
- The Energy Usage and Analysis System (EUAS) assists GSA in tracking energy usage and costs by sites throughout the U.S. The EUAS provides a normalized data structure and strict validation of actual data tracked for the National Energy and Water Management Center personnel. The EUAS data and system is evaluated annually as part of the annual independent GSA financial audit.
- Logistics Management Institute is a private non-profit organization that provides management consulting, research, and analysis to governments and other non-profit organizations. Using internal research and development resources, LMI partners with Fortune 500 firms to collect best practices data on operation, maintenance and construction of facilities and infrastructure. LMI assists clients with developing useful performance measures and establishing effective performance baselines.

- The Gallup Organization has been the world leader in the measurement and analysis of people's attitudes, opinions, and behavior for over 60 years. The statistical confidence level of the data we obtain from Gallup is 95%.

However, we recognize some shortcomings in the data accuracy of some sources and are working to correct them:

- **The System for Tracking and Administering Real Property (STAR)** is a state-of-the-art Windows based application, providing the user direct on-screen access to the data base for updating PBS real property data and retrieving this data via standard and ad hoc reports. The STAR system incorporates many industry standard business practices. With the implementation of STAR, PBS has experienced several data accuracy problems resulting from data conversion and people unfamiliar with the new process for maintaining data. To correct the shortcomings in STAR, we are undertaking a number of initiatives to clean up data in our real estate and billing systems, maintain a high quality of the data, and provide ourselves and our clients with accurate and dependable information for effective government real estate management. These initiatives include:
- **Spatial Validation** - PBS currently has a spatial validation effort underway via Computer Assisted Drawings (CAD) that is intended to significantly improve origination and management of spatial data. We will re-measure facilities in each region, capture the information in a graphic database, and establish business processes to maintain accuracy. We expect to complete CAD validation in one half of all buildings in fiscal year 2000. This represents 80% of all realty billings anticipated in fiscal year 2000.
- **Data Clean-up/Data Quality Assurance Contract** - Under this initiative, a contractor will develop and document a quality control system that validates PBS's real estate and billing data residing in STAR, the occupancy agreement (OA) tool, and other related data systems software used in the PBS regional and field offices. The contractor shall also provide on-site support to our regions. This support will include developing and executing diagnostic reports, conducting system and PBS research where necessary, and working in a face to face environment with PBS employees. The contractor will incorporate the use of the CAD system as a component in developing the quality assurance system. We anticipate this to be accomplished by the end of fiscal year 2000.
- **Data Accuracy Measures** - We are currently using a data accuracy measure in our regional monthly performance reporting that has been quite effective in reducing missing data. We will incorporate additional data accuracy measures in our monthly reporting.
- **The Real Estate Activity Locator (REAL) system** is a fully deployed, integrated, nationwide information and analysis system. It is a real property information system that contains such information as appraisals, sales tracking, and surveys. The REAL system is new and we are experiencing problems with data accuracy and timeliness. To improve the data reliability of REAL, we are including a critical element for maintaining data accuracy in the realty specialist's performance plan.

- **The Project Manager's Toolbox (PMT)** is a distributed, client-server system. PMT has a fully automated interface with Microsoft Project, a commercial software package for planning, scheduling and management of large, complex projects. This system is intended for use by PBS project managers to manage and track scope, budget, and schedule through the life cycle of PBS' major capital construction and repair and alteration projects. The schedule data in PMT, used in our measure of timely delivery of projects, is captured through the interface with Microsoft Project.

In practice, project managers or other regional PBS staff are reducing the Microsoft Project files to only the set of key milestone tasks captured into PMT and used in the measure, with no network of subtasks, durations, and interdependencies. These schedules are then periodically updated in time for the performance reports. The resulting disconnect between the operational project schedule and the data base calls the validity of the data into question.

To correct this problem we are instituting a project tracking function within the PBS national office, whereby headquarters staff will keep abreast of regional projects from initial planning through final occupancy and will work with regional project managers to set and maintain fully operational project schedules in Microsoft Project.

2. Staff Development

The agenda of the Public Buildings Service is enormous. The work we must accomplish is diverse in nature and constantly changing. As the Federal Government real property experts, the demands for high performance in a complex market place are great. We recognize the need to ensure that our people meet the business challenges of today, as well as the demands of the future.

In meeting this challenge, PBS is implementing a nationwide training initiative to address the development needs of all current and future employees. The PBS Academy provides a framework that links all training and development activities to PBS strategic goals. This framework is operated through an on-line virtual system accessible through the PBS Intranet. The Academy targets the following areas:

- Communication of the PBS Mission/Vision/Values and Core Competencies, directing learning and development for the entire PBS community.
- Development of an employee orientation ("PBS Boot Camp") to orient new and existing employees to the business of PBS.
- Identification of specialized competencies, and training and development needs for specific professional series. This information is designed to guide individuals in their career development efforts. Example professions include the Realty Specialist and Portfolio Manager.

- Development of first-line supervisors, mid-level managers, and team leaders through identification and provision of training and developmental experiences.
- Executive Education designed to build the senior leadership capacity of PBS and develop mid-level staff for succession. An Executive Training program currently delivered by the Harvard University's Graduate School of Design has been implemented. This program focuses on the comprehensive development of Real Estate Professionals
- The Academy will also provide a venue for knowledge and information sharing across PBS disciplines.

PBS is making a concerted effort to use technology to provide On-line courses through the University On-line system. Value is placed on providing employees with high quality training. Individual Learning Plans, Skills Assessment, and Multi-rater feedback tools are used to guide individual development. Cross-training and providing developmental opportunities across the regions is emphasized. Staying close to the voice of the customer is also critical so that their feedback and needs are integrated into our development efforts. We draw upon a community of internal expertise and utilize contract support to provide a total learning environment.

3. Portfolio

PBS as a Service needs to acquire a portfolio view. This means knowing which portions of our inventory are profitable and which are not. It includes identifying what kinds of buildings we should own and operate or lease. It requires an assessment of which buildings should be kept and improved and which should be divested as well as how much vacancy is needed for flexibility. PBS needs to make the portfolio view a uniformly accepted process in the conduct of its business. PBS also must find ways to develop, improve, and redevelop properties within the budget scoring rules.

PBS is taking on this challenge. We have contracted for the services of a real estate advisory consultant to provide a comprehensive analysis of our portfolio to assist us in making the best, most informed business decisions. With this assistance, we are working to integrate our strategic planning, investment decision making, and asset management with providing space and services that support our clients' missions and various socio-economic programs of the Federal government. Our objectives include maintaining the physical integrity of our buildings while conserving the tax payers' investment, and responsibly managing the funds that finance GSA's programs. Our investment strategy is based on a bottom up, building by building analysis of each asset. The intent is to have a national portfolio plan based on regional portfolio plans and individual asset business plans to guide investment decisions. We will build upon this work to develop cogent strategies and action plans and pursue improvements in financial performance, dispositions, renovations, consolidated housing options, and asset utilization.

VII. FEDERAL SUPPLY SERVICE

The worldwide network of the Federal Supply Service (FSS) provides Federal agencies with services and supplies worth \$17 billion a year. These include commercial products acquired directly from contractors at discount prices, professional services provided by major private sector firms, low cost vehicle acquisition and leasing, and travel and transportation services that are deeply discounted. FSS also saves the Government billions by managing the utilization, donation and sales of surplus and excess Federal personal property. The fastest growing areas are contracting for services which is included in the \$11.4 billion Federal Supply Schedules program. The Schedules program has benefited from the Federal procurement reforms of the mid-1990s and provides a broad and expanding range of products and services.

FSS manages four business lines largely funded through the General Supply Fund. They are: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. The Utilization and Donation programs within the Property Management business line are funded by appropriation; the Transportation Audits portion of the Travel and Transportation business line receives a permanent indefinite appropriation. With few exceptions, FSS programs are non-mandatory and, but for its appropriated activities, its operating expenses are recovered in the prices it charges Federal agencies.

FSS performance goals are described in the pages that follow.

A. Supply and Procurement

The Supply and Procurement business line offers Federal agencies a choice of more than 4 million commercial products and an extensive range of technology, financial, environmental, management, and administrative services. They can purchase directly from commercial suppliers through more than 7,400 FSS Schedule contracts or shop using *GSA Advantage!™*, GSA's award winning e-business service. Customers benefit from consolidated purchasing, FSS contracting expertise, and compliance with Federal procurement and socioeconomic policies. FSS promotes commercial buying practices, reduces acquisition time, and provides agencies opportunities to determine best value -- helping agencies get what they need, when they need it, to do *their own* jobs effectively and to focus on *their own* core missions.

Recognizing that our customers are no longer just the professional logisticians, but any Federal employees in need of products or services, FSS provides tools to help agencies make purchases easily and make better decisions. FSS purchase-card contracts speed the purchase and payment processes and allow for accurate record keeping. *GSA Advantage!™* allows Federal employees worldwide to compare prices, place orders, and make payments over the Internet.

As a self-sustaining activity, the Supply and Procurement business line projects its direct operating expenses for FY 2001 to be \$289.6 million, with a cost of goods/operations of \$883.0 million. The five performance goals below focus on reducing cost-to-output ratios, expanding the range of services and products offered; providing Federal agencies commercial sources which will further the Government's socioeconomic goals; increasing customer satisfaction; and making more services and products accessible through GSA's e-business system, *GSA Advantage!™*.

Supply and Procurement

GSA

Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Performance Goal: **Reduce costs while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 9%.**

The Schedules program and contracting for services are expected to provide most of the Supply and Procurement expansion. These increased sales will not require a commensurate increase in expenses, thus leading to the improvement in cost per \$100 sales.

Performance Measure:

Cost per \$100 of sales.	
Baseline:	\$3.51
FY 1999:	\$2.85
FY 2000:Target	\$2.66
FY 2001 Target	\$2.40

Strategies:

Services are the fastest growing sector of the supply and procurement business line. We will increase the range of services offered in technology, training, financial asset management, charge card, environmental services, engineering, human resource, marketing/media, laboratory, project management and protective services.

FSS is moving toward corporate contracts in the Schedules Program. This will streamline this program by combining a number of negotiations a firm might now be engaging in.

Determine the future of the FSS distribution system. GSA has reviewed the financial condition of the system and the viability of operating existing warehouses.

Budget Links: Direct Operating Expenses of \$289.6 million
Cost of Goods/Operations \$ 883.0 million

Verification/ Validation:

Total operating expenses are divided by the total dollar volume purchased from FSS sources (as measured in the General Supply Fund), multiplied by \$100. The financial statements of GSA are audited annually by a private accounting firm.

Supply and Procurement

GSA

Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Increase market penetration to maximize service to Federal agencies and effect the greatest advantage to the Government

Performance Goal: Increase Federal agencies' use of GSA sources of supply by 8% over FY 2000 by providing additional products and services and by making it easier to access them.

FSS offers competitive prices and state-of-the-art processes by consolidating purchases and setting up simple-to-use procurement mechanisms for Federal customers. Agencies that use FSS sources of supply minimize the Federal cost of acquisitions and avoid onerous procurement procedures. Schedules and service contracting areas represent the growth sectors for FSS.

Note: While market share would be a better way of expressing this goal, Government-wide acquisition reporting (i.e. Federal Procurement Data System (FPSD) lacks the detail necessary for this quantification. The business line will continue to investigate ways to express this concept.

Performance Measure:

Dollar volume of GSA supply and procurement programs.

Baseline:	\$ 9.4 billion
FY1999:	\$12.7 billion
FY2000 Target:	\$14.1 billion
FY2001 Target:	\$15.3 billion

(Note: This dollar volume excludes \$3.9 billion in procurement support for the Travel and Transportation business line and the dollar volume usage of the GSA purchase card, whose associated sales totaled \$10.1 billion in FY 99.)

Strategies:

In support of the Federal Activities Inventory Reform Act (FAIR), expand service contracting by increasing the services associated with products offered on the FSS schedules. These include technology, training, financial asset management, charge card, environmental services, engineering, human resource, marketing/media, laboratory, project management and protective services.

Meet customer demand for long-term relationships with commercial firms by establishing "evergreen" Schedules contracts, which offer 5-year terms and three 5-year renewals. This parallels the private sector concept of entering into open-ended contracts with strategic partners who share common goals and understanding of program requirements.

Improve the flexibility and efficiency of Schedules contracts, permitting contractors to add new technologies and other innovations at any time during the life of a contract. To better meet customer needs, FSS encourages Schedules contractors to provide worldwide coverage and requires that they accept the government purchase card as a means of payment for all purchases under \$2,500.

FSS established Schedules E-Library, an Internet site, which serves as a centralized source for Federal Supply Schedule contract award information for Federal agencies. Schedules E-Library will be continually enhanced with customer-friendly features, such as a more sophisticated search engine.

Offer special order services for unique requirements or special services (e.g. overseas orders).

Budget Link: Schedules program: Direct Operating Expenses \$93 million;
Stock program: Direct Operating expenses: \$ 165.9 million; Cost
of Goods/Operations: \$520.0 million
Special Order program: Direct Operating Expenses - \$30.6
million; Cost of Goods/Operations - \$363.0 million.

**Verification/
Validation:**

The sources of sales data are the FSS supply and procurement operating and management information system (FSS-19) and the Federal Supply Schedule cost-recovery systems. Both systems are password protected and conform to the GSA Information Security Policies and Procedures. The completion of certification and accreditation of the FSS mainframe systems located in Eagan, MS was completed September 30,1999 and will be completed for FSS-19 in the spring of FY2000

Schedules data is reported quarterly via the Internet by contractors using their password and contract number. Checks are performed to assure that all contractors are reporting and follow-ups conducted including visits to contractor facilities to ensure that they understand the reporting process and the submission of their industrial funding fees to GSA.

Supply and Procurement

GSA

Strategic Goal Excel at Customer Service

GSA Strategic Objective Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses.

FSS is reaching out to the small business community and to minority and women-owned businesses to assist their participation in Government contracting, thereby facilitating Federal agencies' use of small businesses and promoting the Administration's socioeconomic goals. FSS Schedules make it easier for Federal agencies to use small business vendors for many types of supplies and services.

Performance Measures:

Percent of Schedule contracts awarded to small business

Baseline: 77%

FY 1999: 77%

FY 2000 Target: 77%

FY 2001 Target: 77%

Strategies:

Actively participate in outreach efforts to sustain the proportion of contracts awarded to small businesses.

Work with the Small Business Administration (SBA) to expand socio-economic credits.

Budget Link: Within Schedules program: Operating Expenses \$93.0 million.

Verification/ Validation:

Data is reported in the FSS supply and procurement operating and management information system (FSS-19). This system conforms to the GSA Information Security Policies and Procedures. The completion of certification and accreditation of the FSS mainframe systems located in Eagan, MS was completed on September 30, 1999 and will be completed for FSS-19 in the spring of FY2000.

Supply and Procurement

GSA

Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal: Increase customer satisfaction with Supply and Procurement programs.

To gauge customer satisfaction with its performance, FSS contracts biennially with a professional, private-sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The issues tracked include quality of products, timeliness, responsiveness to inquiries and discrepancies, ease in use of FSS, courtesy of our staff and that of our contractors, and accessibility of information to help customers make decisions, reach solutions or resolve concerns. The most recent poll showed 96% of FSS customers as "satisfied" (*ratings of 3 to 7 on a 1 to 7 scale*); 61% were "highly satisfied" (*ratings of 6 and 7 on a 1-to-7 scale*.) Only 4 % registered dissatisfaction (*ratings of 1 and 2*).

Performance Measure:

Percentage of responses in the category "highly satisfied."

Baseline FY 1997/98:	61%
FY 1999/2000 Target	63%
FY 2001/2002	63%*

(*The FY 1999/2000 survey has been conducted; final report is expected shortly. The exact target has not been set, but will represent a realistic increase over actual performance no lower than 63%.)

Strategies:

Placing emphasis on commercial services and products as well as commercial practices, FSS ensures that its customers have choices available to them, representing quality standards and the latest technology available in the private sector.

In addition, *GSA Advantage!*TM increasingly makes FSS services and products available on-line.

Provide training to customers about our programs. The U-MAS Virtual Campus provides Internet training to our customers on the Multiple Award Schedule (MAS) Program. The curriculum is continuously updated based on customer needs.

In addition to the biennial survey, pursue a new survey approach that will provide more “real time” customer feedback.

Budget Link: Direct Operating Expenses \$289.6million;
Cost of Goods/Operations - \$883.0 million.

**Verification/
Validation:**

Survey results are validated by private sector polling organization, EDS Government Consulting Services.

Supply and Procurement

GSA

Strategic Goal Anticipate Future Workforce Needs

GSA Strategic Objective : Employ advanced information and Internet technology to make acquisition of products easier and faster for all Federal agencies

Performance Goal: Increase the number of services and products available to Federal customers via electronic systems and Internet connectivity.

The current growth of electronic commerce and Web-based shopping is increasingly having an impact on the procurement environment. Ahead of many Federal agencies, FSS introduced GSA *Advantage!™* in FY1996. By the end of FY 1998, 1,284 contracts were available for shopping on this award winning electronic catalog.

Performance Measure:

Percentage of schedule contracts accessible through GSA Advantage!™

Baseline:	18%
FY 1999:	23%
FY 2000 Target	50%
FY 2001 Target	95%

Strategy:

Work with industry partners that hold Schedule contracts to accelerate the placement of their products and services on GSA *Advantage!™*

By February 2000, provide to each schedule contractor the information they need to be placed on GSA *Advantage!™*

If a contractor wants to be eligible for a long term (evergreen) contract, require that their products and services be available electronically on GSA *Advantage!™*.

Require new contractors to be on GSA *Advantage!™* as a condition for award beginning in FY 2001.

Budget Link: Within Supply and Procurement Budget: Direct Operating Expenses \$289.6 million;
Cost of Goods/Operations - \$883.0 million.

**Verification/
Validation:**

A count is performed of Federal Supply Schedule contracts on GSA *Advantage!*TM -. GSA *Advantage!*TM was designed to conform with GSA's Information Systems (IS) Security Policies and Procedures. Its IS certification and accreditation are expected to be concluded by the end of FY 2000.

Note: This performance measure was changed from a count of products available on GSA *Advantage!*TM to a percentage of contracts on GSA *Advantage!*TM. Product count is no longer considered a representative measure due to several factors. Services are an increasing portion of the business line. The count of products did not take this into consideration. The count of contractors will include contractors who provide services. Also, GSA has to work in partnership with contractors for products and services to have a presence on GSA *Advantage!*TM therefore counting the number of contracts is a more appropriate measure .

Federal Supply Service

B. Vehicle Acquisition and Leasing Services

The Office of Vehicle Acquisition and Leasing Services provides customers with one-stop shopping, whether they decide to let GSA purchase vehicles for them or to lease vehicles from the GSA managed fleet.

GSA is the Federal Government's mandatory source for purchases of new non-tactical vehicles. Through consolidated buying, GSA offers the Government significant savings on vehicle purchases.

Leasing through GSA is not mandatory. Agencies leasing through GSA enjoy the benefits of a newer, modern fleet at competitive prices. They are provided with full service management that includes acquisition management, maintenance management, and asset management. Customers leasing vehicles from GSA receive a fleet services card which is used to purchase fuel and vehicle repairs. When vehicles meet specific age and mileage criteria, they are retired from the GSA fleet and marketed to the public, and the proceeds are reinvested to sustain a modern, cost-effective fleet. The GSA fleet is the largest non-tactical Federal fleet outside of the U.S. Postal Service with over 167,000 vehicles in FY 1999.

GSA also purchases and leases alternative fuel vehicles (AFVs) for customer agencies. Since 1991, GSA has purchased over 34,000 AFVs for the Federal fleet. Of that total, nearly 30,000 were acquired for GSA Fleet customers. Many makes and models of AFVs are offered, as GSA helps customers comply with alternative fuel mandates. One of the important objectives of the AFV mandates is for the Federal Government to stimulate the development of an infrastructure offering environmentally-friendly alternatives to the use of fossil fuels and foreign energy sources. By providing AFVs for our customers, GSA has been instrumental in furthering this objective.

This business line is funded through a portion of the price charged agencies for vehicles purchased and from monthly and per-mile fees for leases. Operating expenses for FY 2001 are projected at \$115.0 million and product costs at \$1.2 billion.

The Vehicle Acquisition and Leasing Services business line performance goals are to continue the substantial savings we achieve through volume buying; to provide further efficiencies by consolidating more vehicles into the GSA Fleet; to hold increases in our mileage fees as close as possible to the rate of inflation; to maintain a high customer-satisfaction level; and to support the Government's goals for use of alternative fuel vehicles.

Vehicle Acquisition and Leasing Services

GSA

Strategic Goal: Promote Responsible Asset Management

GSA Strategic Objective: Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal: Achieve an average 20% savings over commercial "Black Book" prices for compact sedans.

This is the largest category of vehicles that FSS purchases for Federal agencies. Twenty percent (20%) is a reasonable goal given our expected volume of purchases will remain fairly stable. The average percentage savings is based on a 4-cylinder compact sedan in accordance with Federal Standard 122, Standard Item 9C, which represents the largest category of vehicles that FSS purchases.

Performance Measure:

Percent saved compared to "Black Book" price.

1998 Baseline	20%
1999 Actual:	20%
2000 Target	20%
2001 Target	20%

Strategies:

Maximize volume purchasing power through one major consolidated purchase annually, obtaining the best possible savings for our customers and, ultimately, the taxpayer.

Make buying vehicles through GSA easier for customers: we publish the *Federal Vehicle Standards* annually. Customers use the *Standards* as a buying guide to determine the types and configurations of vehicles that are generally available.

Budget Link: Automotive acquisition operating expenses of \$6.9 million. Cost of goods/operations of \$476.7 million.

Verification/ Validation:

Contract prices are compared to invoice prices listed in the *Black Book Lease Guide*. The "Black Book" is recognized by the Automotive industry as an authoritative baseline for invoice and retail prices. Contract price information is captured through the Automotive Division's ROADS (Requisitioning, Ordering, And Documentation System) database. Security for this system is maintained through limited access and through password protection. An audit performed on this system in 1997 found it to be compliant with security requirements.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment

Performance Goal: Save taxpayers money by consolidating additional vehicles into GSA's fleet.

Many agencies who now operate their own fleets seek to have GSA take over that responsibility to save money for the taxpayers. Savings represent the cost differences between other agencies' current method of supporting fleet operations and the amount that would be expended if the GSA Fleet were used. These can vary by agency in accordance with their individual costs as reported in the individual studies. Age and condition of the vehicles, among other factors, have a great bearing on savings. Consolidation plans are developed based upon customer demand/savings and the amount of available capital for FSS to fund the consolidations.

Performance

Measure: Savings through vehicle consolidation into the GSA Fleet.

	<u>Vehicles</u>	<u>Savings</u>
	<u>Consolidated</u>	
FY 1998 Baseline	5,329	\$ 6.4 million
FY 1999 Actual	7,027	\$ 6.8 million
FY 2000 Target	6,000	\$ 4.3 million
FY 2001 Target	5,500	\$ 2.5 million
Four Year Total	23,859	\$20.0 million

Strategies:

Maintain planned fleet consolidation schedule established with customers. This includes consolidating 2,900 vehicles from the Army Corps of Engineers, 3,300 vehicles from the U.S. Marine Corps, 4,000 vehicles from the U.S. Army in Europe, 7,300 vehicles from the U.S. Navy, 1,000 vehicles from the Department of Energy, 5,100 U.S. Air Force vehicles, and 250 vehicles from miscellaneous customer activities for approximately 24,000 vehicles planned for consolidation through fiscal year 2001.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$108.2 million and Cost of Goods/Operations of \$716.2 million.

Verification/ Validation:

Cost comparison studies are provided by consolidating agencies.

CONTINUED ON FOLLOWING PAGE.

GSA Fleet relies on the data developed by other agencies and upon which they base their decision to consolidate. In the absence of exact historical information within an agency, the evaluation and savings may be drawn from other agencies' documented consolidation experiences. Consolidating agencies, for comparison purposes, use GSA Fleet's published rates, available through the GSA home page on the world wide web at: <http://pub.fss.gsa.gov>

Note: The goal has been changed from savings per vehicle to overall savings from consolidations. As with other FSS targets (see Travel and Transportation), overall savings conveys the magnitude of the improvement and better depicts the taxpayer results achieved. Accordingly we have changed the expression of this measure.

Vehicle Acquisition and Leasing Services

GSA

Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal: Hold annual increases in cost per-mile for GSA Fleet operations at or below the inflation rate.

GSA Fleet recovers expenses through rates charged to our customers and will work to keep overall cost-per-mile annual increases at or near inflation.

Performance

Measure: Increase in overall cost-per-mile (CPM) compared to inflation rate:

	<u>CPM</u>	<u>CPM Increase</u>	<u>Inflation</u>	
FY 98 Baseline	\$0.3038	--	--	
FY 99	\$0.3065	0.9%	1.9%	actual
FY 00 Target	\$0.3140	2.4%	2.4%	projected
FY 01 Target	\$0.3216	2.4%	2.4%	projected

Strategies:

Negotiate the lowest possible price with large quantity purchases from vehicle manufacturers and tire wholesalers.

Negotiate agreements with maintenance and repair service providers to take advantage of discounts.

Encourage the use of the Voyager/Citibank fleet services card, under the GSA SmartPay contract, which offers many enhancements that permit its use at a larger number of maintenance and repair facilities and provide management data electronically.

Require prior authorization of all maintenance and repair work over \$100 at FSS Maintenance Control Centers, considering the history of the vehicle, its age, and the estimated cost of the work required

Review all cost accounts on a monthly basis to monitor and restrict extraordinary cost growth.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$108.2 million and Cost of Goods/Operations of \$716.2 million.

**Verification/
Validation:**

The source is the GSA Office of Finance report FR-2130, generated monthly. Net expenses are divided by miles driven. Inflation figure is the Consumer Price Index (CPI) for all items from the Bureau of Labor Statistics (BLS).

(Note: This performance measure was changed from rate per mile to cost per mile in that cost control is a more effective measure of management effectiveness and the resultant efficiencies of the GSA Fleet program.)

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal: **Increase GSA's share of Federal fleet.**

The purpose of this goal is to minimize the cost of Government-wide fleet operations by continuing to consolidate other agencies' fleet operations into the GSA Fleet. The market is defined as all vehicles except tactical, U.S. Postal Service, and special purpose vehicles.

Performance Measure:

Percentage of Federal fleet operated by GSA .

FY 1998 Baseline:	43%
FY 1999 Actual	44%
FY 2000 Target	46%
FY 2001 Target	47%

Note: Market share percentages are revised annually based upon fleet size as reported in the most recent Federal Motor Vehicle Fleet Report.

Strategies:

Maintain GSA's current market share with excellent customer service.

Maintain planned fleet consolidation schedule established with customers. This includes consolidating 2,900 vehicles from the Army Corps of Engineers, 3,300 vehicles from the U.S. Marine Corps, 4,000 vehicles from the U.S. Army in Europe, 7,300 vehicles from the U.S. Navy, 1,000 vehicles from the Department of Energy, 5,100 U.S. Air Force vehicles, and 250 vehicles from miscellaneous customer activities for a total of approximately 24,000 vehicles planned for consolidation through fiscal year 2001.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$108.2 million and Cost of Goods/Operations of \$716.2 million.

**Verification/
Validation:**

GSA's Office of Governmentwide Policy is responsible for collecting agency fleet data and publishing the Federal Motor Vehicle Fleet Report each year. Agencies that own vehicles submit data annually. The "Share of Federal Fleet" measure is calculated from the report.

Vehicle Acquisition and Leasing Services

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs, and finding creative solutions for them.

Performance

Goal: Meet or Exceed Customer Expectations

Vehicle Acquisition and Leasing Services will conduct its first integrated survey in 1999-2000. Previous survey results reflect satisfaction levels with GSA Fleet only; this one examines satisfaction with vehicle acquisition services as well. The next survey will serve as the baseline for measurement of satisfaction levels in subsequent years. The 1995-96 survey found that 94 % of GSA Fleet customers were satisfied; (3 to 7 on a 7 point scale) with 74% "highly satisfied" (*ratings of 6 and 7 on a 1-to-7 scale*), and only 2% dissatisfied (*1 or 2*).

Performance Measure:

Percentage of respondents giving a "highly satisfied" rating.

FY 1995/96 Baseline:	74%
FY 1997/98:	78%
FY 1999/00 Target	78% *

(*The FY 1999/2000 survey has been conducted; final report is expected shortly. The specific increase has not been set and will depend on the actual results.)

Strategies:

Build on established partnerships with customer agencies and vendors, using the network of Fleet Management Centers and Maintenance Control Centers.

Sharpen the focus on services such as all-inclusive rates and a long-term "no lease" agreement that allows customers to turn in the vehicles at any time without penalty.

Budget Link: Within targeted resources for the entire business line; Direct Operating Expenses \$115.0 million and Cost of Goods/Operations of \$1.2 billion.

**Verification/
Validation:**

Survey results are compiled by a professional polling organization.

Vehicle Acquisition and Leasing

GSA

Strategic Goal	Anticipate Future Workplace Needs
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

Performance

Goal: Fill 100% of requests for Alternative Fuel Vehicles (AFVs).

The Energy Policy Act of 1992 (EPACT) requires Federal agencies to purchase 75% of their light duty vehicles located in the 125 metropolitan statistical areas as AFVs beginning in 1999 and beyond. The GSA Fleet is committed to removing obstacles to agency operation of AFV's and filling 100% of agency requests for such vehicles.

Performance Measure:

Percentage of requests filled.

FY 1998 Baseline:	100%
FY 1999	100%
FY 2000 Target:	100%
FY 2001 Target	100%

Strategies:

Encourage agencies to purchase AFVs through outreach programs and work with customers and fuel providers to assist with establishing AFV maintenance and fueling facilities.

Agencies generally must pay higher charges for AFV's because GSA must recoup the higher costs from manufacturers. We have established payment mechanisms to help agencies to pay the incremental cost of AFVs. Beginning in FY 1999, customer agencies can fund the incremental cost of purchasing AFVs by spreading it over 12 months or by paying a lump sum. GSA Fleet implemented a pilot program in FY 1999 with the Department of Interior (DOI) to spread the incremental cost of AFVs over their entire fleet. Since the pilot program was successful, we now offer this funding mechanism to all GSA Fleet customers. GSA has made up to \$4M in matching funds available to GSA Fleet customers participating in the Federal Government's AFV USER Program. Customers with vehicles located in the six cities that provide matching funds and have a strong policy to use alternative fuels are eligible for funding assistance under this program.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$108.2 million and Cost of Goods/Operations of \$716.2 million.

**Verification/
Validation:**

The Energy Department has oversight of AFV usage for the Federal Government, as defined in the EPACT. Communication of alternative fuel vehicle (AFV) requests by customer agencies is accomplished through a non-mandatory annual plan developed by some of GSA Fleet's AFV customers. Agency plans may be verified through the Acquisition Management Program (AMP), an internal GSA Fleet program that maintains customer agency vehicle requests. AMP vehicle requests are forwarded to the Automotive Division for GSA Fleet's consolidated annual vehicle purchases.

Federal Supply Service

C. Travel and Transportation

The FSS Travel and Transportation business line helps control the costs of Federal employee travel and transportation services. Travel services include negotiated airline contracts, travel agency services and travel charge card services. Transportation services include the shipment of parcels, freight and household goods. FSS also audits the Government's worldwide transportation billings to identify overpayments and seek recovery for the Federal Government.

In recent years, Federal travel and transportation budgets have totaled approximately \$18 billion annually. Reducing costs by consolidating contracts and achieving administrative savings, this business line competes successfully for Federal business in its non-mandatory program areas as well as achieving huge savings for the Government in its two mandatory programs—City Pairs and Post-payment Transportation Audits.

For FY 2001, expenses for the fully reimbursable travel and transportation services are projected at \$7.5 million. Transportation Audits receives a permanent indefinite appropriation, which is \$12.7 million for FY 2001.

Travel and Transportation

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal: **Achieve significant savings on Federal travel as compared with commercial prices.**

Federal employees spend approximately \$18 billion a year on travel. By leveraging this high volume of business, Travel and Transportation negotiates billions in savings for Federal travelers each year. Savings totaled \$2.5 billion in FY 1999, through the FSS City-Pairs contracts with 14 major airlines, which deliver unrestricted airfares at less than a third of normal coach fares. In FY 1999, the low fares were offered on 4,895 domestic and 587 international routes, with non-stop service in 99% of the markets where it is available. FSS also administers 140 Travel Management Centers, which manage agencies' travel planning and processing and ensure that travelers use available discounts and adhere to Federal regulations and agency directives.

Performance Measure:

Savings on Government travel as a percent of the total commercial value of the same volume of travel.

	<u>%</u>	<u>Savings</u>
FY 1998 Baseline	68%	\$2.5B
FY 1999 Actual	68%	\$2.5B
FY 2000 Target	68%	\$2.4B
FY 2001 Target	65%	\$2.3B

Note: The slight decline in the percentage of savings is attributable to ongoing consolidations in the airline industry and an increase in the number of low cost carriers. This results in lower fares for the public, which is the benchmark to which we compare our rates.

Strategies:

Effectively negotiate City-Pair contracts to provide the best service at the lowest cost to taxpayers.

Contract for charge cards for Federal employees to use to pay travel expenses. The charge card providers will furnish detailed reports on travel expenditures to help agencies better manage their travel programs. GSA SmartPay contracts with multiple vendors for travel, fleet, and purchase card services provide a variety of value-added services.

Contract for Travel Management Center (TMC) services, including management information reports. TMCs control costs by ensuring use of appropriate discounts and adherence to regulations. They are very similar to travel agents.

Budget Link: Travel management expenses - \$4.1 million

City-Pair contracting support is performed by, and cost recovery revenues included in, Supply and Procurement.

**Verification/
Validation:**

Weighted average of an annual market-by-market City-Pair contract fares are compared with published full coach, unrestricted fares. Our prices are publicly available for review. For the City-Pair program, the commercial prices to which we compare our contract prices are listed in the commercial reservation systems and are available for review. We rely upon data provided by the Department of Defense and the travel charge card contractors in estimating the volume of Federal travel used in calculating savings.

Travel and Transportation

GSA

Strategic Goal	Promote Responsible Asset Management
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GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.
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Performance Goal: Reduce Government transportation costs by recovering or avoiding excess charges through pre- and post-payment audits of freight and transportation charges.

FSS audits Federal freight and transportation vouchers to recover or avoid excess charges. The audits are performed by contractors and quality-controlled by GSA. Agencies are required by law to forward paid transportation bills to GSA for post-payment audit, to identify overcharges that must be recovered from vendors. In addition, FSS audits transportation bills for client agencies *prior* to payment. This program identifies overcharges before they are paid, eliminating both the overpayment and the need for recovery. The Travel and Transportation Act of 1998, requires agencies to implement the pre-payment audit process within 18 months of passage. Post-payment audits will, however, continue to be necessary for detecting and recovering overcharges not recovered during pre-payment audits.

Performance Measures:

Increased cost avoidance due to pre-payment audits:

Baseline FY 1998	\$2.6 million
FY 1999	\$3 million
FY 2000 Target:	\$4 million
FY 2001 Target:	\$5 million

Maintain collections from post-payment audits:

Baseline FY 1998	\$15.7 million
FY 1999	\$17.5 million
FY 2000 Target:	\$13 million
FY 2001 Target	\$13 million

Strategies:

Work with agencies to ensure that all appropriate paid transportation bills are forwarded to GSA for post-payment audit, as required by law.

Continue to emphasize the importance of post-payment audits in harmony with and to complement the increasing use of pre-payment audits by streamlining the electronic funds transfer overcharge collection techniques and partnering with other Federal payment centers to improve the collection process.

Accelerate and expand efforts to educate agencies on pre-payment audits, and continue efforts to recover costs not detected in pre-payment audits through its post-payment efforts.

Budget Link: Audits program appropriation - \$12.7 million.

**Verification/
Validation:**

The Transportation Accounts Receivable and Payable System (TARPS) is used to manage the transportation audit activity. FSS in accordance with GSA IT security policy is strengthening system controls to ensure data integrity. The Certification and Accreditation review will be scheduled.

Travel and Transportation

GSA

Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal: Maintain savings of 45% to 47% compared to commercial rates for shipment of freight and household goods and for small-package express delivery services.

Travel and Transportation relies heavily on the competitive nature of the transportation industry to achieve major savings in its freight, small package express and household goods relocation programs. By consolidating civilian agency requirements, GSA brings its contractors a volume of business large enough to obtain discounts of at least 45% of commercial rates. In FY 1998, Federal agencies using GSA's transportation programs saved about \$200 million compared to commercial prices.

Performance Measure:

Percentage savings from commercial rates.

Freight:

FY 1998 Baseline:	45%
FY 1999	46%
FY 2000:Target:	46%
FY 2001:Target:	46%

Household Goods:

FY 1998 Baseline:	47%
FY 1999	47%
FY 2000 Target:	47%
FY 2001 Target	47%

Small Package Express Delivery

FY 1998 Baseline:	45%
FY 1999	45%
FY 2000:Target:	45%
FY 2001 Target:	45%

Strategies:

Continue to negotiate reduced rates for freight transportation and movement of household goods.

Establish closer, more interactive relationships with the freight and household goods industries so that customer needs and industry concerns with changing Government requirements can be fully addressed.

Budget Link: Transportation expenses for support will be \$3.4 million; contracting support is performed by and cost recovery revenues included in Supply and Procurement.

**Verification/
Validation:**

Small package express delivery services – Prices are compared with commercial prices for similar-services and shipment volumes.

Freight savings - Carriers file rates that are specified in terms of discounts off of a baseline rate table. Federal agencies can select carriers based on the rates they file.

Household goods savings - Carriers file rates that are specified discounts off a household goods carrier commercial tariff. For Household goods shipments, agencies generally consider both cost and quality.

Travel and Transportation

GSA

Strategic Goal Excel at Customer Service

GSA Strategic Objective Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes

Performance Goal: **Increase customer satisfaction with FSS travel and transportation programs.**

Performance Measure:

Customer satisfaction survey results (on a scale of 1 to 5)

Transportation:

FY 1997/98 Baseline: 4.13

FY 1999/2000 Target: 4.5

FY 2001 Target 4.5*

Travel:

FY 1997/98 Baseline: 4.38

FY 1999/2000 Target: 4.5

FY 2001 Target 4.5*

(For all FSS surveys the scale will be changed to 7 points. Adjustments will be made to make historical data comparable.)

*The FY 1999/2000 survey has been conducted; final report is expected shortly. The specific increase for FY 2001 has not been set. This will be based on the actual results for the current year.

Strategies:

Re-procure for travel management services, nationwide, with one solicitation that specifies core requirements that all vendors must meet, and optional "value-added" services. This new approach will provide choices to customer Federal agencies, allow access to advances in technology, and allow for flexibility in the face of structural changes in the travel agent industry.

Work closely with customer agencies (to identify their requirements) in the task order process. They will select their preferred vendors based on an evaluation of vendor's prices and services offered.

Use past performance data and best value concepts to help customers choose household goods carriers that will meet their needs.

Budget Link: Travel and Transportation expenses of \$7.5 million; with transportation audits appropriation of \$12.7million.

**Verification/
Validation:**

Customer surveys are performed and results validated by a private sector polling organization, EDS Government Consulting Services.

Travel and Transportation

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal: **Increase the percentage of audits performed electronically.**

The audit of transportation bills has traditionally been a paper-intensive process. GSA's largest client, DOD, and some civilian agencies, have been moving toward electronic data interchange (EDI) and other electronic forms of payment for transportation. It is therefore important for GSA to be able to audit these transactions electronically , keeping pace with the shift.

Performance Measure:

Percentage of audits performed electronically.

FY 1998 Baseline:	10%
FY 1999	25%
FY 2000 Target:	40%
FY 2001 Target:	50%

Strategies:

Increase electronic audit transactions implementing EDI-oriented auditing, adopting CD-ROM record retention capability, and work with DOD on electronic transportation acquisition.

In transportation audits, collaborate with DOD and civilian agencies in adapting to an electronic transaction environment. This includes, in part, agreeing on standards and procedures.

Budget Link: Within Transportation Audits appropriation of \$12.7 million.

Verification/ Validation:

The Transportation Accounts Receivable and Payable System (TARPS) is used to manage the transportation audit activity. FSS in accordance with GSA IT security policy is strengthening system controls to ensure data integrity. The Certification and Accreditation review will be scheduled.

Federal Supply Service

D. Personal Property Management

The Personal Property Management business line saved taxpayers over \$1.9 billion in Fiscal Year 1999 and projects comparable savings for the years ahead by extending the use of Federally owned personal property. Property no longer needed by one agency may fill a need in another, thereby avoiding new procurements. Property with no further Federal use is offered at no cost to State and local governments and eligible nonprofit groups. Property whose value cannot be extended by reuse or donation is sold to the public.

Government regulations require that Federal agencies use excess personal property—which is no longer required by the holding agency—as their first source of supply whenever practicable. FSS transfers this property at no cost to the receiving agency.

When excess personal property is no longer required for Federal use and is not redistributed, it is declared surplus and made available for donation to public agencies and qualifying nonprofit entities. There are approximately 70,000 tax-supported organizations which receive donations of Federal surplus property, including schools, day care centers, hospitals, homeless shelters, senior citizen organizations and programs, vocational training facilities, fire and police departments, drug treatment and rehabilitation programs, and other State and local organizations.

When requested, FSS handles the sale of seized and forfeited property for the U. S. Marshals Service. FSS sales services are non-mandatory, agencies are therefore free to sell surplus property themselves or to have commercial firms do it on their behalf. The Property Management program collects a cost-recovery fee and returns the remaining proceeds from sales to the U.S. Treasury or to the holding agency.

The Property Management program also inventories, stores, and occasionally sells gifts and decorations (such as medals) presented to Federal employees by foreign governments. We oversee the Treasure Trove Program that covers research and excavation of historic artifacts and precious metals on Federal property.

The Property Management program's operating expenses for FY 2001 are anticipated at \$27.9 million, of which \$10.7 million is a Congressional appropriation for the Utilization and Donation programs. The remaining \$17.2 million is associated with the Sales program and flows through the General Supply Fund. Included in the amount for the Sales program is \$4.7 million which represents Furniture Reclamation Center expenses.

Performance goals for FY 2001 aim to maximize cost avoidance through property reuse, maximize proceeds from the sale of surplus property, contain costs, advance Internet accessibility of excess and surplus property, and increase customer satisfaction.

Personal Property Management

GSA

Strategic Goal	Promote Responsible Asset Management
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GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.
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Performance Goal: Maximize cost avoidance through reutilization and donation of excess Federal personal property.

“Cost avoidance” represents money not spent for new personal property because excess property was used instead. GSA promotes the maximum reutilization of property, but it cannot directly affect the volume of property that agencies declare as excess. Estimates of property which will become excess are based upon historical data.

As a result of budget constraints and the expansion of authority to use proceeds for property replacement, more agencies are disposing of the higher value property through sales and utilizing the proceeds towards new procurements. When this happens, the properties do not go through the utilization and donation phases of the process. As a result, we anticipate that property of lesser value will be moving through our disposal system, however the overall volume of transactions which impacts workload will only be slightly affected.

Performance Measure:

New expenditures avoided through reutilization and donations of excess personal property as reported by Federal agencies.

Baseline FY 1998	\$1.7 billion
FY 1999	\$1.9 billion
FY 2000 Target:	\$1.6 billion
FY 2001 Target:	\$1.6 billion

Strategy:

Maximize the visibility of property available for reutilization and facilitate the transfer process. Make it easy for those eligible to receive property to know what property is available through the Area Utilization Officer network and the Federal Disposal System (FEDS).

Extend the visibility of property to State and local governments and eligible nonprofit entities and ensure its fair and equitable distribution.

Budget Link: \$10.7 million appropriation, part of Policy and Operations.

**Verification/
Validation:**

Acquisition value of transferred and donated property is reported monthly by Federal agencies and generated by the Federal Disposal System (FEDS). FSS in accordance with GSA IT security policy is strengthening system controls to ensure data integrity. Its Certification and Accreditation review will be scheduled.

Personal Property Management

GSA

Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal: Control costs while effectively performing utilization, donation and sales services.

While costs for personal property management programs remain relatively stable, in FY 2001, the dollar value of excess property moving through the disposal system is expected to decrease. As a result of budget constraints and the expansion of authority to use proceeds for property replacement, more agencies are disposing of the higher value property through sales and utilizing the proceeds towards new procurements. The number of lines of property, i.e. workload, is, however, not expected to decrease. The decrease in sales proceeds per FTE for FY 2000 and 2001 is a direct result of the drop in dollar value of property moving through the FSS system rather than a result of workload decreases.

Performance Measure:

Dollar volume of Utilization/Donation transfers per FTE.

Baseline FY 1998:	\$16.7 million
FY 1999	\$17.9 million
FY 2000 Target:	\$15.3 million
FY 2001 Target:	\$15.3 million

Sales proceeds per FTE

Baseline FY 1998:	\$1.3 million
FY 1999	\$1.1 million
FY 2000 Target:	\$1.0 million
FY 2001 Target:	\$1.0 million

Strategy:

Make use of electronic technology to increase efficiencies and move towards a "paperless" process to the extent possible.

Budget Link: \$10.7 million for utilization/donation (Policy and Operations appropriation)
\$12.5 million in direct operating expenses (General Supply Fund) for the sales program.

**Verification/
Validation:**

For Reutilization and Donation: Total dollar volume (at original acquisition value) of Utilization/Donation transfers is divided by on-board operational FTE. FEDS is the source for volumes. FSS in conjunction with GSA IT Security policy are strengthening system controls to ensure data integrity. Its Certification and Accreditation review will be scheduled.

For sales: Customer agency sales proceeds are divided by on-board operational FTE.

Explanation of change of targets: In the FY 1999/00 Performance Plan, targets excluded sale of GSA's fleet vehicles, as the Fleet Management Division had indicated their desire to manage their own vehicle sales. Although the transition has been completed in most regions, FSS Personal Property Management personnel in GSA Regions 3 and 9 continue to handle GSA fleet sales. The dollar volumes of these additional sales have been included in the revised sales projections.

Personal Property Management

GSA

Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs, and finding creative solutions for them.

Performance Goal: Increase customer satisfaction with Personal Property Management services.

The Property Management program conducts biennial surveys of its customers to determine their level of satisfaction with FSS property utilization, donation and sales programs. In the most recent survey, 96% of FSS customers reported they were satisfied (*ratings 3 to 7 on a 7 point scale*) with 63% of being "highly satisfied" (*ratings of 6 or 7 on a 1-to-7 scale*), and only 4% reporting dissatisfaction (*ratings of 1 or 2*).

Performance Measure:

Percentage of respondents who report being "highly satisfied".

FY 1997-98 Baseline:	63%
FY 1999-2000 Target:	65%
FY 2001 Target	65%

(*The FY 1999/2000 survey has been conducted; final report is expected shortly. The specific increase for FY 2001 has not been set. This will be based on the actual results for the current year.)

While maintaining an overall satisfaction rating of 96%, FSS will target a 2% increase in the highly satisfied category.

Strategies:

Increase communication with customers via Internet, mail, focus groups, conferences and other appropriate channels, keeping customers at all levels up-to-date on our programs and services.

Participate in meetings hosted by customer organizations such as the Interagency Committee on Property Management, National Property Management Association, National Association of State Agencies for Surplus Property, and the Users and Screeners Association.

Involve customers in improving operational processes, including the Federal Disposal System (FEDS), to facilitate property transfers. We expect that improved customer satisfaction will be reflected through increased FEDS use.

Assess our progress in customer satisfaction, particularly with regard to electronic reporting, visibility of property, and timeliness of the sales process.

Budget Link: Within target resources \$10.7 million for utilization/donation (appropriation) and \$12.5 million in direct operating expenses for the sales program.

**Verification/
Validation:**

Results are provided by a private professional survey firm, EDS Government Consulting Services.

E. Management Challenges and Solutions

Supply and Procurement

Much has changed in the Federal contracting arena over the last six years with the passage of the Federal Acquisition Streamlining Act of 1994 and the Clinger-Cohen Act of 1996. These statutory provisions have institutionalized the preference for the use of commercial services, products and practices in Government contracting.

FSS is committed to this preference for the use of commercial services and products, and commercial practices in Government. Also, FSS is committed to using the power of consolidated purchasing, the Internet and the tools of electronic business. We will continue to meet the service and product needs of Federal employees anywhere in the world while honoring the Government's socioeconomic and environmental commitments as they pertain to procurement.

Our customer base has evolved from a relatively small group of procurement or supply professionals to a broad base of Government employees. The new customer base includes thousands of consumers from charge cards holders to program managers. This represents a significant challenge in educating customers about the advantages and use of FSS programs. Customer education is critical to our success. While we simplify our programs, we must ensure that our messages are clear and reach all Federal customers.

As we implement commercial practices and streamline buying for our customers, the FSS contracting workforce will play a more complex role in the 21st century. Contracting officials will move from a traditional procurement role to that of business advisors. Under the Clinger-Cohen Act, all contracting personnel hired in the future must be college graduates. This standard places the Government in a more competitive and challenging hiring position. In addition, the rapid growth of electronic commerce and the rate of change make it important to recruit people with skills in line with such advances.

Vehicle Acquisition and Leasing

FSS is committed to furthering environmental quality and encouraging the use of alternative fuel vehicles (AFVs). Critical issues include the cost of these vehicles, availability of maintenance, repair, fueling and resale value. While traditionally, FSS has been able to provide AFVs without undermining its financial posture, there are concerns that the increased use of AFVs would increase the capital cost of vehicle purchases and fleet operations and decrease disposal proceeds. The lack of adequate maintenance, repair and refueling infrastructure are also challenges that FSS will have to continue to tackle in the coming years.

Travel and Transportation

The travel agents are facing extraordinary challenges as technological advances change traditional airline distribution patterns and airlines seek to control their distribution costs. The September 1997 cut in airline commissions from 10% to 8% were in addition to earlier commission caps on domestic transactions. A further reduction to 5% occurred in October 1999. Previous travel management services contracts with travel agents have been at no cost to the Government, and in many cases included provisions for rebates to customer agencies. Now we can no longer expect a no-cost approach to contracting for these services. Travel agents now typically negotiate fee-based arrangements with their corporate clients; our new contracts will allow for such arrangements. We have contracted for future travel management services in a way that provides choices to our customer agencies, allows access to advances in technology, and allows for flexibility in the face of continued structural changes in the travel agent industry.

A June 1998 Audit Report of the GSA Office of Inspector General presents the results of an audit of the Travel Management Center (TMC) Industrial Funding Fee (IFF). The audit found that the forecasted TMC revenue does not cover program expenses at their current level, that the TMC program needs centralized authority, and that a uniform management information system will improve collection of the industrial funding fee and the evaluation of TMC performance. TMC Trak, which is being implemented in Spring 2000, is an information management system for travel management data related to the master contracts for travel management services. The new system will be available on the Internet for use by vendors, customers, and GSA Central Office and Regional staff. In the past, TMCs submitted business volume data (ticket sales, car and hotel bookings, etc.) to GSA on a quarterly basis. In addition to the business volume data, the database will include addresses for vendor and customer points-of-contact. GSA personnel will be exploring innovative ways to revitalize government-wide transportation management processes and services, many of which are cumbersome and tradition-bound. Simplification, adoption of private sector practices or out-sourcing will be options explored as we confront the need to provide quality and economy in transportation services while acknowledging diverse customer requirements and the scarcity of transportation professionals.

The Travel and Transportation Reform Act of 1998 requires Federal agencies to implement prepayment audit of transportation bills, if they are not already doing so, by April 20, 2000. Postpayment audits by GSA will continue only to the extent that it is not feasible for agencies to perform prepayment audits and as a check of prepayment audit accuracy. The purpose of this part of the Act is for the Government to identify transportation overcharges before the bill is paid recognizing that it is better than first paying the carrier and then trying to recover the overcharge. Postpay audit collections will probably not significantly decline until FY 2003 or FY 2004, because of the feasibility and accuracy check issues, as well as time lags. Bills for audit are received as much as 18 months after the date the transportation took place. Also, the law allows the Government three years to identify and issue overcharges after the transportation takes place. Some bills are not audited until near the end of the 3-year window.

Another factor that will maintain postpay collections for some time is the strategy chosen by some agencies to prepay audit bills on a sample rather than 100% basis. This means that those bills not in the sample will require postpay audit by GSA. The workload in GSA's Audit Division is expected to shift to overseeing the prepay rather than the postpay audit process which will be performed largely by contractors. Additionally, a marked spike in prepay audit protests and claims from carriers is expected as prepay audit increases, mainly because the carriers will receive fewer and fewer excessive payments. In the midst of this shift to a prepay environment, the Government is increasingly moving to the payment of transportation via a charge card. GSA will arbitrate all prepayment audit disputes and handle subsequent litigation.

Personal Property Management

FSS uses the Internet-accessible FEDS system to maximize the visibility of excess and surplus property so that unnecessary tax dollar outlays can be avoided. Securing the resources to invest in its enhancements would ensure that we are making property visible and accessible to Federal agencies and State and local governments to the greatest extent possible using today's technology.

A matter of future concern would be that, as we move toward an era of "e-government" in which there will be an environment of greater reliance upon electronic screening and disposal methodology, there is the growing possibility of the creation of a gap between those with electronic savvy and those who are lacking in "e-commerce" resources and expertise.

Ensuring that there is equitable distribution of property to eligible State and local entities is of paramount concern. FSS will continue to be diligent in overseeing this process.

F. Cross-Cutting Programs

Supply and Procurement

FSS works closely with the Department of Energy (DOE) and the Environmental Protection Agency to meet the requirements of environmentally related Executive Orders, making it easy for agencies to comply with these orders by buying through FSS. For example, FSS offers more than 5,000 environmentally responsible products, making it easy for Federal agencies to "buy green."

FSS chairs a Federal Acquisition Regulation Committee with representation from the Department of Defense (DoD) and five civilian agencies. This committee makes recommendations on the Federal Supply Schedules Program and is currently looking at issues affecting the small business community. The Interagency Committee for the Review of Federal Supply Schedules meets biannually to discuss issues affecting the Schedules Program. Representatives from 50 agencies attend these meetings.

FSS has agreements in place with the Departments of Defense, Interior and Agriculture to support the Wildfire Suppression Program, and works with the Federal Emergency Management Agency (FEMA) on a continuing basis to ensure that supplies are available for high-level response and service during national emergencies.

FSS is a member of the Javits-Wagner-O'Day (JWOD) Committee which oversees Federal Prison Industries and works with the Federal Prison Industries in supplying their products and use of their services to other Government agencies as provided by law.

Vehicle Acquisition and Leasing

FSS works closely with its customer agencies to assist them with the alternative fuel vehicle (AFV) purchase requirements of the Energy Policy Act of 1992 (EPACT). EPACT mandates the use of AFVs by Federal agencies. The Office of Vehicle Acquisition and Leasing Services has purchased over 35,000 AFVs for its customer agencies and provides planning and support services to help agencies meet their AFV requirements.

FSS and DOE work together to manage the Federal Government's AFV Program. The program supports the expansion of alternative fuel infrastructure by concentrating Federal AFV acquisitions in six selected cities. Albuquerque, NM, Denver, CO, Melbourne-Titusville, FL, Minneapolis, MN, Salt Lake City, UT, and San Francisco, CA.

FSS helps Federal customer agencies in these program areas "drive green" by paying half of the incremental cost funding for AFV acquisitions and by providing AFV planning services. FSS has committed up to \$4 million in matching funds to show GSA's strong support for this program. In addition, we will continue to work closely with all agencies, automotive manufacturers, alternative fuel providers, and DOE to ensure successful implementation of the AFV program. Agencies can look to us to help them meet their goals whether they choose to buy or lease AFVs.

Striving to improve fleet management throughout Government, Vehicle Acquisition and Leasing professionals actively participate in interagency groups and trade associations to keep abreast of agency needs and industry trends.

Travel and Transportation

The travel and transportation business line supports DoD's emergency/contingency mobility requirements by including a requirement for air carrier membership in the Civil Reserve Air Fleet (CRAF) in our contracts for the Airline City-Pair Program. CRAF members contractually pledge their airlift resources to support DoD mobility requirements in times of emergency or contingency in return for a portion of DoD's peacetime airlift business.

GSA facilitates and provides technical support to the Federal Civilian Agencies Household Goods Relocation Committee which includes major users of the Centralized Household Goods Traffic Management Program (CHAMPS). The Committee meets regularly to discuss current household goods issues and initiatives (e.g., move management services and simplification of household goods linehaul rates.)

Personal Property Management

In partnership with the Department of Energy, Property Management developed a system for internal agency screening and redistribution of excess personal property and automated transfer of data on unneeded property into the FSS centralized Federal Disposal System (FEDS). This eliminates duplication in screening systems and data entry and consolidates information on excess property in a single system. We have made this service available to other agencies on a case-by-case basis under fee-for-services arrangements. At the moment, we are in the preliminary stages of negotiating an agreement with the Department of Commerce. In addition, there are two other executive agencies that have indicated a strong interest in this service.

Because it serves all levels of government, the Federal property management program is cross-cutting by nature. Property Management employees actively participate in the Interagency Committee on Property Management and in meetings and seminars hosted by other groups, including the National Association of State Agencies for Surplus Property, the National Property Management Association, and the Users and Screeners Association. Property Management works closely with GSA's Office of Governmentwide Policy (OGP) to further the benefits of effective asset management. In addition, the Property Management Division is actively involved in working, along with other agencies, to complete short- and long-term initiatives proposed by the OGP Strategic Planning Panel.

Through the Integrated Solutions program administered by PBS, regional property management staffs work closely with their PBS counterparts to present "one face to the customer", (that is, to perform as one GSA to meet the customer's needs not as an independent FSS and an independent PBS) in dealing with various customer agencies on matters involving relocations, installation closures or setting up new office facilities.

G. External Factors

Supply and Procurement

We work closely with various industry associations. We also work closely with our customer Federal agencies to understand their needs.

Vehicle Acquisition and Leasing External Factors

Disruptions in the automotive industry could affect our performance. For example, there are currently shortages of trucks equipped with automatic transmissions. Other factors could include plant strikes and fluctuations in the commercial market that affect product availability.

Further downsizing in agencies that lease vehicles from the interagency fleet and contracting out of functions previously performed by government employees by current and potential customers could reduce the number of vehicles required. Fluctuations in per-mile costs are greatly dependent on inflationary factors and can impact all cost components. The added cost of alternative fuel vehicles may be balanced by a better environment. Nevertheless, product availability and a limited maintenance and refueling infrastructure will affect their use in the immediate future.

Travel and Transportation

FSS is keenly attuned to the need to anticipate changes in the travel industries and customer needs. The radical change in the travel agent-airline industry relationship, for example, has called for a significant change in the way we contract for travel management services. We addressed this by adopting a fee-based approach to contracting for these services. Market forces will determine the level of service and savings in travel and transportation worldwide. We are strengthening our ties to industry in order to anticipate and keep pace with travel and transportation trends.

Personal Property Management

Achievement of savings is dependent upon the volume of property generated by Federal agencies for reutilization, which becomes eligible for donation and possibly sale. While DoD trend analysis and forecasts are factored into the projected generation figures, these figures may be subject to unanticipated conditions that may affect property availability. If the amount of excess property and/or its quality are significantly below estimates, the cost avoidance from transfers and the proceeds from sales may be lower than the performance goals.

H. Program Evaluations or Major Studies

Supply and Procurement

Supply Distribution Centers

FSS supply distribution centers have provided a cost-effective source of products to Federal customers over most of the last 50 years. However, the long-term declining trend in sales, intensifying competition from commercial sources, and an increasingly complex array of customer demands have created a situation requiring comprehensive review.

Along with our labor partners? the American Federation of Government Employees (AFGE) and the National Federation of Federal Employees (NFFE)? we have spent significant time since October 1999, studying the supply system and sharing information. GSA engaged the Logistics Management Institute (LMI) to determine the most cost-efficient and effective supply chains that meet customers' needs and to compare them to FSS' current system. At AFGE's request, LMI worked with two experts from the Harvard Business School.

The LMI study shows that GSA can generate savings for its customers and maintain current service levels by reducing the number of distribution centers, improving their efficiency, and partnering further with the private sector to supply items Federal customers buy from GSA today. We will be implementing the study's recommendations during FY 2000 and FY 2001.

Multiple Award Schedules Program

For many decades the Federal Supply Schedule Program awarded and administered by GSA has provided a vehicle for the acquisition of commercial products and services. In the last few years many changes have been made to the Schedules Program as the program has adopted more commercial practices. GSA, as part of its management responsibility, has initiated studies to ensure that changes made to the Program are adding value to the Federal Government.

At the request of GSA, Logistics Management Institute conducted a study and found that it takes a Federal agency an average of 268 days to put a contract in place. A few years later, Johnson and Johnson Associates conducted a study "Comparative Analysis of Customer Elapsed Time Savings." The Study found that it takes a Federal agency an average of 49 days to make a similar purchase using the GSA schedule.

GSA, in conjunction with the Office of Federal Procurement Policy, is now working with the Information Technology Resources Board to study inter-agency contract vehicles for information technology, including Multiple Award Schedules.

The changes to the schedules program have moved the Government closer to real-time commercial buying practices and by doing so have significantly reduced acquisition time and have increased the efficiency of the Government which reduces costs to the taxpayers.

The Office of Inspector General recently audited the industrial funding fee of the Schedules Program to answer the following question: "Does the fee provide a reasonable level of revenue for the Schedules Program and do the controls for the collection process promote accurate and timely reporting of fees?"

The audit found that the fee generated nearly twice the revenue needed to cover program costs in last two fiscal years. Additionally the sales verification and fee collection efforts need strengthening. In response, FSS has initiated changes to strengthen controls over the fee verification and collection process

Vehicle Acquisition and Leasing Program Evaluations

In April 1999, the GSA Office of Inspector General (OIG) provided FSS with their findings of a "Limited Audit" of GSA Fleet's Consolidation Savings and Market Penetration performance measures. To address OIG's concerns related to the validation of the data used to develop these two performance measures, Performance Plan language for the Consolidation Savings performance measure has been changed to clarify that the reported savings are derived from studies conducted by the consolidating agency. GSA Fleet has no mechanism to validate another agencies' internal data. However, the reported savings are reviewed by GSA to determine "reasonableness" with respect to studies which GSA itself has participated in with other customer agencies. Also, recently reported savings have been validated in several customer organizations by their internal auditors. For GSA Fleet's Market Penetration performance measure, Performance Plan language has been changed to clarify that the baseline used for the size of the Federal Fleet is derived from the most recently published Federal Motor Vehicle Fleet Report, developed by GSA's Office of Governmentwide Policy. In developing this performance measure, GSA Fleet assumes that the base size of the Federal Fleet is not expanding but rather transitioning from an agency-owned fleet to a GSA-provided Fleet.

In February 2000, the General Accounting Office released a report titled, "Limited Progress in Acquiring Alternative Fuel Vehicles and Reaching Fuel Goals." The intent of the report was to measure progress of reaching petroleum displacement goals as defined in the Energy Policy Act of 1992 (EPACT). The report examined alternative fuel vehicle (AFV) acquisitions and alternative fuel use by Federal agencies. GAO's findings

indicate that EPACK's 2000 petroleum reduction goals will not be met and identified major barriers that are limiting both the acquisition of AFVs and the utilization of alternative fuels. These are the classic problems that have impeded the growth of alternative fuel vehicle and fuel use:

- High vehicle incremental cost
- Lack of refueling stations
- High cost of developing alternative fuel infrastructure
- Regulated vehicle population is too small

According to GAO, the population of covered fleets is simply too small to meet the EPACK reduction goals. Even if all Federal, State and fuel provider* fleets were fully compliant to EPACK, their collective alternative fuel use would only make up 1% of the petroleum replacement goals. GAO estimates that a large portion of private fleets and privately owned vehicles would have to be covered under EPACK AFV acquisition mandates the petroleum reduction goals are to be met.

Travel and Transportation

We monitor the quality of contractor-performed audits of transportation bills by tracking money saved, overcharges collected, and resultant protests and claims. The relatively minimal percentage of protests and claims judged in favor of the carriers further validates this function. The overcharge detection process also helps validate the freight, household goods, travel charge card, and travel management center programs.

An Inspector General limited audit assessment of the Performance Measure for Government Airfare Savings was concluded in January 2000. It recommended that the measure's description acknowledge that the data, upon which this calculation is performed, is derived from reports of other agencies. The Performance Plan description has been revised accordingly. They also suggested the need for uniform documentation of the formula for calculating this savings. These and other measures will be subject to such documentation.

* A fuel provider fleet might be, for example, a fleet of natural gas powered vans operated by the local natural gas utility.

Personal Property Management

In 1999, the GSA Inspector General conducted a limited audit of the FSS performance measure for savings achieved through the reutilization and donation of excess personal property. The purpose of the audit was to evaluate the adequacy of policies and procedures to ensure the existence and completeness of acquisition cost data for the performance measure. The OIG recommended that it be made clear that we accept data as reported by Federal agencies. We have changed the description of the measurement in the FSS portion of the GSA Performance Plan accordingly. Secondly, the OIG criticized the uniformity of data collection. During the period in which the audit was conducted, FSS was performing data collection in a manual mode for a limited period of time, as it bridged to the enhanced Federal Disposal System (FEDS). Those enhancements have been implemented, and FSS is confident that the current quality of data collection would meet auditing standards.

VIII. FEDERAL TECHNOLOGY SERVICE

The Federal Technology Service (FTS) provides information technology (IT) solutions and network services that deliver the best value and innovation to support its Federal agency customers worldwide. FTS is a self-sustaining business that derives almost 100% of its resources from customers. GSA/FTS has undergone quite an evolution over the last decade, and in FY 1999, FTS' telecommunication services became more competitive. Mandatory use of FTS contracts providing communication services gave way to providing choice to our customers. This meant that FTS had to compete with private industry and become more business-like and flexible.

In providing the Government with an economical and efficient system for the procurement of IT and telecommunications services, FTS identifies and aggregates Federal requirements to offer solutions that yield substantial cost savings and value. FTS employees are experts in acquisition, telecommunications, information technology, and information security. We work with industry and Government to address critical issues affecting Government performance. From enabling Y2K compliance to making Government listings in public telephone directories more user-friendly, FTS ensures the necessary framework is in place to support the Government information infrastructure, and provides end-to-end security. In addition, FTS tests new acquisition and service delivery concepts that will enhance the Government's ability to use technology to better serve the public.

FTS revenue has grown from approximately \$1.5 billion in FY 1995 to more than \$3.4 billion in FY 1998, and is expected to be approximately \$5.5 billion* in FY 2001. Most of this increase is in the IT Solutions area, where there is an upward demand for FTS products and services. Growing FTS' business will enable the Government to devote more resources directly to mission and program work and increase cost savings for the taxpayers.

FTS has two business lines: Network Services and IT Solutions. Even though each has unique characteristics, these business lines are beginning to blend together because of the evolving interrelationships between the IT and telecommunications markets. This convergence of business lines and the use of the IT Fund to finance FTS programs are important as FTS plans for the 21st century.

FTS serves the Federal community with leading edge technology and streamlined and innovative acquisition practices that contribute to productivity and efficient Government mission performance. FTS began using competitive analysis studies in FY 1999 to identify new technology service offerings. Customer requirements are analyzed to select new or to enhance existing service offerings. FTS will continue to partner with industry to learn new technologies, and take advantage of acquisition reform to bring products and services to the Government marketplace as rapidly as possible.

*This amount exceeds the level of revenue projected in the FY 2001 Budget Submission. See crosswalk on page ____.

A. FTS Management Strategy

To ensure FTS is positioned to sustain and enhance its contributions to the Federal community, FTS has three overarching strategies. These strategies are integrated into the business lines and reflect the overall approach that FTS is taking to grow the business and achieve 16.6% or \$5.9 billion of the Federal IT market by FY 2001. The strategies are as follows:

1. FTS will focus on being customer-centric. This strategy involves providing enterprise solutions and tailored levels of service to meet the IT and network needs of customers. FTS offers customers a full range of contracting vehicles, comprehensive service offerings, and one-stop shopping. It provides fully competed contracts, competitive pricing, problem resolutions, and interoperability. FTS' strategy also focuses on understanding customers' business needs, helping them find the best solutions so that they can better serve their constituencies, and delivering superior customer service. A Customer Action Team (CAT) initiative has been established consisting of communities within FTS who are working together to grow the business with four specific customers: the Internal Revenue Service, the Environmental Protection Agency, the Corps of Engineers, and the Defense Financial Accounting Service. This proactive approach will allow FTS to gather customer information and use it to re-package our products and services. CATs cut across FTS business lines to bring Network Services and IT Solutions together to meet customer needs and sell the total FTS package. Our customer centric focus is set to position FTS as the leading provider of value added IT services to the Government community.
2. FTS will focus on being employee-centric, recognizing that employees are its most valuable asset. FTS employees are highly trained in the acquisition, telecommunications, and IT fields, as well as other professional disciplines, and they are a critical link in FTS' endeavors to achieve superior customer satisfaction and business results. To create a culture where all employees will succeed and are respected, FTS is implementing initiatives to increase communication, foster employee development and recognition, and provide technology so that our workforce excels at customer service and achieves business success.
3. FTS will structure for success by maintaining dynamic relationships with its stakeholders, i.e., Congress, OMB, the Interagency Management Council (IMC), and industry partners. FTS will continue its efforts to keep Congress and OMB informed of its initiatives and critical related issues. This continuing dialogue also helps identify cross-cutting technology issues that affect all agencies and departments and provides an informed network to coordinate and resolve them.

FTS goals and measures cover the areas of market share, finance, costs, customer satisfaction, employee growth and development, stakeholder relations, acquisition time cycle, and new and enhanced offerings. In summary, the goals and measures provide a balanced approach and ensure a results-oriented framework for implementing and assessing the organization.

B. Network Services

Network Services provides FTS customers with end-to-end telecommunications services, including global voice, data, and video services, supporting both local and long-distance Government telecommunications users. FTS also provides advanced telecommunications products and services through the post-FTS2000 special services contracts, referred to as niche contracts. The niche contracts provide customers with a variety of fully competed contracts for wireless communications, technical and management support services, international calling, wiring and cable, satellite equipment and services, and Internet access. The Network Services projected revenue for FY 2001 is \$819 million--\$511.5 million from long-distance service, and \$307.7 million from local telecommunications.

FTS2000 long-distance services reach more than 1.7 million users through two multi-billion dollar ten-year contracts that were awarded to AT&T and Sprint in December 1988. Government agencies have spent nearly \$5 billion on FTS2000 services during the contracts' ten-year existence. FTS awarded the next generation of Federal long-distance service contracts, FTS2001, to Sprint and MCI WorldCom. Transition to FTS2001 began in June 1999, and will be completed in 18 months.

The local telecommunications services program provides state of the art voice, data and video services to tenants of Federal buildings and campuses maintained by GSA and other agencies. In FY 1999 the program provided 533,000 active service lines to Government agencies. FTS provides these services through ownership and operation of voice telecommunications equipment or through resale of Centrex services from local exchange carriers. The national average monthly line rate for FY 1999 was \$19.74, which reflects an overall reduction of \$8.96, or almost 31% from the FY 1994 average monthly line rate. The traditional use of line counts and cost per line is no longer the only measure by which the local telecommunications services program evaluates success.

The changing telecommunications environment and the wide array of service offerings as well as a host of new advanced networking and value-added offerings best reflects the overall success of the program. Several of these areas will include but not be limited to:

- Achieving an immediate, substantive, and sustained price reduction for local telecommunications services,
- Increasing the number of awards for Metropolitan Area Acquisition (MAA) contracts,
- Providing flexibility in new contracts to allow for tailored levels of service and pricing, and
- Achieving a better billing process by measuring the accuracy, timeliness, customer satisfaction and number of complaints.

Customers may realize up to 66% savings over current government rates and up to 70% savings in standard business rates because of these new initiatives.

C. Information Technology Solutions

The Information Technology (IT) Solutions business line provides all types of IT products and services, including security solutions, to its Federal clients through contracts with industry partners. IT Solutions provides a variety of ways for agency customers to buy-- through FTS contracts, through the use of Federal Supply Service schedules, and through the contracting offices of other agencies with which the IT solutions business line has developed strategic partnering arrangements. Customers can choose among numerous value-added services at various levels of support and cost. IT Solutions programs have been so popular with Federal agencies that revenues have grown from \$500 million in FY 1995 to \$3.1 billion in FY 1999 and are projected at \$5.5 billion in FY 2001.

Core Business

The IT Solutions business line helps agencies acquire, manage, integrate, and use IT resources and protect the security of Federal information. The core business of the IT Solutions business line is the **reselling** of industry solutions that are obtained through the award and administration of contracts with industry partners.

Concept of Operations

The underlying business goal of IT Solutions is to provide the same products or services or solutions with the same level of service at the same price to all clients, regardless of their geographic location. To achieve this goal, IT Solutions has implemented a concept of operations based on distinct **service delivery and solutions development centers of expertise**.

- Client Support Centers (CSCs) provide direct client interface and support, issue and manage task orders against contracts, and deliver (resell) solutions to clients. There are five national and eleven regional CSCs.
- Solutions Development Centers (SDCs) award and administer IT contracts by developing solutions for CSCs and other government agencies. There are four SDCs.

Client Support Centers (CSCs).

Regional CSCs. The Regional IT Solutions Services Center, comprising the eleven regional CSCs, provide IT products and services to Federal clients located within specific geographic regions.

National CSCs. IT Solutions' five national CSCs are the Federal Systems Integration and Management Center (FEDSIM), the Financial Management Systems Support Center, the IT Acquisition Services Center, the Office of Smart Card Initiatives, and the Office of Information Security (OIS). These centers provide services on a fee-for-service basis and support Federal clients throughout the world.

- FEDSIM helps agencies acquire and use information systems and technology. Its primary services include acquisition management and support, large-scale systems integration, office systems support, software management, and data center management.
- The Financial Management Systems Support Center helps Federal agencies evaluate, design, and implement financial and administrative systems.
- The IT Acquisition Services Center provides contracting support for internal GSA customers.
- The Office of Smart Card Initiatives offers the next generation of paperwork-reduction service to Federal agencies by providing smart cards for employee identification, access to secure computer networks, credit card purchases and boarding airline flights. Cards carry data for public key infrastructure, digital signatures and biometric data such as fingerprints.
- OIS provides worldwide information systems and infrastructure security services to Federal agencies conducting national security and sensitive operations. Its services range from supporting US intelligence missions worldwide to working with Government and industry to develop a secure Government infrastructure. FTS' worldwide business is on the rise in Europe and will soon be adding a presence in the Far East.

Solutions Development Centers (SDCs). IT Solutions operates four SDCs that develop, award, and administer innovative contracting solutions to address Federal agency requirements for IT products and services. SDC IT contracts (solutions) are available for use by all CSCs. The four current SDCs are the Federal Computer Acquisition Center (FEDCAC), the Pacific Rim Region (Region 9), a partnership of the Southeast Sunbelt Region (Region 4) and the Greater Southwest Regions (Region 7), and the Region 6 Small Business SDC

Benefits

The IT Solutions concept of operations is designed to:

- Eliminate the development of unnecessary FTS acquisition vehicles.
- Ensure that all new FTS contracts fit into an FTS strategic acquisition plan.
- Make all contracts available to all CSCs.
- Reduce the FTS resources devoted to developing and awarding new contracts.
- Reduce the private sector resources required to respond to FTS contracting initiatives.
- Provide contract options and alternatives to our clients.
- Establish voluntary sources of supply for all CSCs.
- Reduce dependency on single vendors or contracts.
- Maximize the number of industry partners.

D. Initiatives

Millennia Contract. This multiple award/indefinite quantity (IDIQ) contract was awarded to 12 prime contractors for a base period of 5 years with one 5-year option period, and a \$25 billion ceiling. This highly flexible, comprehensive contract is designed to support large, complex systems integration projects. It covers IT services, hardware and software. One of the keys to its success is the fact that it has cost plus fixed fee (CPFF) CLINs, something that is critical in IT work because it allows FTS to define and buy very precise skill levels at realistic prices. There has been an explosive interest in this contract since it's award in May 1999. The first task order under this contract was awarded in August 1999 for a total of \$22 million. Based on experience with Millennia's predecessor contract, IT Solutions anticipates using most of the \$25 billion ceiling within the base period of the contract.

Millennia Lite. This multiple award/indefinite quantity (IDIQ) contract will be awarded late in FY 2000. This highly flexible, comprehensive contract, similar to Millennia, is designed to support small to mid-level systems integration projects. It covers IT services, hardware and software. Again, one of the keys to its success will be the cost plus fixed fee (CPFF) CLINs.

Seat Management. Seat Management enables agencies to acquire desktop computer support as a utility that delivers a prescribed service level, and to pay for it by the "seat." The FTS Seat Management contracts offer the Federal IT community reduced costs and increased operational efficiencies through adoption of a successful private-sector practice. The ten-year, \$9 billion contracts have the potential to revolutionize the way the Government acquires IT. They provide desktop computing capability as a non-owned service that encompasses the hardware, software, connectivity, management, operation, and maintenance of the desktop environment and its associated network infrastructure. Seat Management allows agencies to focus on core business, keep up with technology, improve service to users, control the total cost of ownership, transfer risk and responsibility to contractors, and improve interoperability, standardization and compatibility. Seat Management provides performance-based service levels, commercial best practices, integrated products and services, and managed life cycle support.

In FY 1999 GSA awarded the first task order under its government-wide Seat Management Services contract to Litton/PRC Inc. at an evaluated price of approximately \$114 million over ten years of service. This will support 2,500 GSA employees in its headquarters building in the District of Columbia, and Federal Technology Service offices located in Fairfax, Virginia; Falls Church, Virginia; and Lexington, Massachusetts. Over time this task order will be extended to all GSA offices and has the potential to grow to over \$600 million for 14,000 employees. Since this first award FTS has successfully awarded additional task orders under the Seat Management Services contract. In June 1999, a task order was awarded to Wang Governmental Services for 1,600 seats at the Treasury Department. In July 1999, a task order was awarded to Techserve (Dyncorp) for 800 seats at the Office of the Inspector General at the Department of Housing and Urban Development.

Another vehicle under the Seat Management initiative is the Outsourcing Desktop Initiative for NASA (ODIN) contract. ODIN is a contract administered by the National Aeronautics and Space Administration (NASA) that FTS is authorized to market to non-NASA agencies. In June 1999, a delivery order was awarded to Boeing Information Systems (recently acquired by SAIC) for 4,500 desktops at the Health Care Financing Administration.

FTS2001 Contracts. FTS2001 contracts were awarded to Sprint and MCI WorldCom in December 1998 and January 1999, respectively, and are estimated to be worth more than \$5 billion over the eight-year contract period. FTS2001 replaces the successful FTS2000 contracts and retains many key elements, especially aggressive price competition. Through GSA negotiations over the past ten years, telecommunications services have gone from a national average of 27 cents per minute in FY 1988 to 5.8 cents per minute in FY 1999 under FTS2000. Under FTS2001, prices start at 4.5 cents per minute and drop to less than 1 cent per minute by the end of the contract. Transition to FTS2001 began in June 1999 and will be completed in 18 months. (See page _____ for performance goal information.)

Presidential Decision Directive 63 (PDD-63). PDD-63 establishes a structure and process to protect the national critical infrastructure, both physical and cyber-based. The Directive encompasses the public and private infrastructure and establishes sector liaisons to address the growing potential vulnerabilities. Every agency must prepare a critical infrastructure protection plan and implement the plan completely within the next two years. FTS is spearheading the effort to assist Federal agencies in responding to the requirements of this Directive.

- **Operation SAFEGUARD.** In FY 2000 FTS begins to manage the SAFEGUARD program which provides a full range of professional infrastructure assurance services and products necessary for strengthening the Nation's defenses against emerging unconventional threats including physical attacks on our critical infrastructures and cyber-based attacks. The FTS SAFEGUARD Program consists of multiple solution sets to provide maximum flexibility through 27 industry partners. The Office of Information Security (OIS) awarded the first contract under SAFEGUARD on July 8, 1999. The award to Booz, Allen & Hamilton is to assist the Department of Veterans Administration with a network security plan for their transition from a private, wide area network to the FTS2001 public wide area network.
- **Federal Intrusion Detection Network (FIDNet).** FIDNet is a government-wide network that will provide a common center for response to cyber attacks on agencies. GSA, the National Security Incident Response Center (NSIRC), the Federal Bureau of Investigation's National Infrastructure Protection Center (NIPC), and the Department of Defense's Joint Task Force-Computer Network Defense (JTF-CND) are developing the FIDNet model as part of President Clinton's directive to protect mission-critical systems. The FIDNet FY 2000 financial plan is entirely contingent upon successfully locating a source of funding for its operation, either from existing partners, or through appropriation. The FIDNet concept call for establishing a Federal Network Administration Coordinating Center (FedNACC) consisting of two discrete components; the Federal Intrusion Detection and Analysis Center

- (FIDAC) and the existing Federal Computer Incident Response Capability (FedCIRC). FTS' Office of Information Security, in collaboration with the NIPC, NSIRC and JTF-CND, will stand up a central facility for detecting and responding to unauthorized intrusions or other hostile efforts targeting critical information components of the Federal infrastructure. The FIDNet effort involves integrating new technologies and capabilities with existing government network architectures in a manner that does not degrade the functionality or performance. Budget estimates and tiered implementation plans for the intrusion detection and analysis component of the overall FIDNet concept have been developed and are presently under review by members of the National Security Counsel, OMB and the partnering agencies and departments.

Access Certificates for Electronic Services (ACES). FTS manages this initiative to deliver public key certificates to the general public as a way of facilitating secure access to Government services. In FY 1999, FTS awarded a contract for services that will use public key infrastructure certificates as the enabling technology to provide end-to-end security of information for the citizen and the Government.

Metropolitan Area Acquisitions (MAAs). High prices and low competition previously characterized local telecommunications service but the passage of the Telecommunications Act of 1996 removed some of the legal and regulatory obstacles to competition in the local exchange markets. Competition has been slow to emerge and remains limited except in large metropolitan areas. Therefore, GSA is taking the lead to actively participate in the competitive markets. FTS awarded three separate contracts to AT&T on May 20, 1999 in the first large competitive procurement of local exchange services, which includes advanced digital and networking services, in New York, Chicago, and San Francisco. The objective is to lower prices to customers through aggregation of requirements and open competition, and the first three MAAs have successfully resulted in a 70% price reduction. Additional contracts will be awarded in Baltimore, Maryland; Cincinnati, Ohio; Cleveland, Ohio; Dallas, Texas; Denver, Colorado; Los Angeles, California; Miami, Florida; New Orleans, Louisiana; Albuquerque, New Mexico; and St. Louis, Missouri during FY 2000.

Washington Telecommunications System 2001 (WITS 2001). WITS 2001 will provide up-to-date and cost effective communications services to all Federal agencies and other authorized users in the Washington, DC, and surrounding metropolitan area. It will offer agencies Internet- and Intranet-oriented services and access arrangements. Data services, such as circuit switched data, dedicated transmission, asynchronous transfer mode, frame relay, and switched multi-megabit data, will also be offered. In addition, the contract will incorporate new innovative services, as they become commercially available, ensuring that WITS 2001 keeps pace with evolving technology. In FY 1999 WITS provided switched voice and data services to approximately 165,000 Federal users in the National Capital Region and an additional 29,000 users are served by the Consolidated Centrex system. The WITS is also connected to other Exclusive-Use systems in a collaborative effort to share and aggregate services to achieve economies of scale. FTS issued a request for proposals in August 1998 for its WITS 2001 contract with an anticipated award in the fourth quarter of FY 1999. (The performance goal information for local service is shown on page ____.)

Federal Relay Service (FRS). FRS provides telecommunications services between hearing individuals and individuals who are deaf, hard of hearing, and/or have speech disabilities, allowing them to communicate and conduct business with hearing employees in the Federal Government. FRS provides domestic and international coverage to the public and to Federal agency personnel seven days a week, 24 hours a day. FTS awarded a new FRS contract to Sprint in August 1998 to continue this valuable service.

In-Flight Communications Service. The AT&T Wireless In-Flight Communications Services contract provides a significant benefit for Federal travelers. Federal travelers can access voice, data, and fax over the airline seat phones at discounts from 10-50%, based on usage levels. The more usage, the higher the discount. Based on current usage, the AT&T Wireless discount is currently at 10%. Federal travelers can access In-Flight services via their Government-issued travel card.

Virtual Wireless Store. In FY 1999 FTS will complete implementation of a "virtual" wireless store that will make it easier for customers worldwide to know about the latest wireless technology and how to obtain it. The virtual wireless store will feature both terrestrial and satellite-based wireless products and services.

Smart Card Technology. In FY 1999 GSA began offering a program using the Smart Card technology in selected locations. Five credit card companies were awarded contracts to provide card services to the government under GSA's SmartPay contract. Smart Cards are the next generation of employee cards. FTS employees in selected offices are issued Smart Cards that are a credit card on one side with a Government photo ID on the other. The cards are used to gain access to secure facilities, access to secure computer networks, for credit card purchases and boarding airline flights. The cards carry data for public key infrastructure, digital signatures and biometrics data, such as fingerprints.

Office of Smart Card Initiatives. Smart Cards offer an unsurpassed mobile computing platform for identification and authentication as well as repetitive administrative functions. In FY 2000, the Office of Smart Card Initiatives will compete and award a Government-wide "Common Access Identification" Smart Card contract for use by Federal agencies. The Office of Smart Card Initiatives will strive to offer the next generation of services for the reduction of paper-based administrative systems.

WillowWoods Complex. FTS consolidated eight geographically separated offices into a central facility in Fairfax, Virginia in June 1999. FTS viewed the move as an opportunity to showcase new technology and advancements in IT Solutions and Network Services. FTS employees were issued Smart Cards under GSA's SmartPay contract and state of the art computer and network systems under the Seat Management contract. FTS envisions the WillowWoods Complex to be a showcase for other agencies to see FTS multiple offerings in action.

IT Solutions Shop (ITSS). The IT Solutions Shop is a web based electronic commerce system, supporting approximately 1800 customers, vendor representatives, and FTS Staff. On average, \$2 million worth of orders pass through the IT Solutions Shop each day in the Pacific Rim Region alone. This volume is expected to increase dramatically as the IT Solutions Shop is adopted nationwide. This system was conceived, developed, and implemented by a dedicated team of Pacific Rim Region IT professionals.

Call Centers. Call Center Systems and Services contracts offer choices consisting of tiered levels of service, competitive pricing, and the agility to add or change service requirements. They also include standards to ensure quality customer service and opportunities for improvement. With reduced resources, Federal agencies are exploring new and improved ways to meet the growing demand of service to the American citizen. In some cases, Federal agencies are looking for alternatives to operating 800 or 888 numbers that service the American citizen. By providing these contracts, FTS enhances Federal agencies' customer relationship management by providing powerful communications solutions to deliver outstanding customer service and to boost the performance of the Federal agencies.

The overall role of FTS will be to serve as the coordinator between industry and the Federal marketplace. Today, no other agency plays this central role. FTS will be the expert, providing the contract vehicles and providing program management to govern large, medium and small call center accounts. As the coordinator, FTS will look at both Federal requirements and industry trends and bundle products and services in a manner that can best solve business problems for federal agencies.

Enterprise Resource Planning. In FY 2000, FTS will enter the Enterprise Resources Planning (ERP) systems arena. ERPs are modular based and are commonly defined as fully integrated financial and administrative management systems and are widely used, successfully, throughout industry. They often include modules for manufacturing, inventory, logistics, supply management, etc. We will provide contractual mechanisms, project managers, systems consultants and contracting office services.

In FY 1999 the federal government estimates it will spend over \$3 billion on financial and administrative systems. The objective of the FTS program is to stimulate federal agency usage of "world class" ERP products and services and to encourage industry to enter the federal market. Our plans are to create a "virtual ERP contract" which will identify existing schedules/contracts for all systems, services, software etc. needed to install and operate an ERP and link them together using blanket purchase agreements or other creative/appropriate procurement mechanisms. We will create a technology center in Washington D.C. to bring agencies and vendors together to demonstrate/discuss/evaluate ERP systems. We plan to create several ERP pilots to demonstrate the effectiveness of these systems. We will extensively market this capability and plan on working collaboratively with our industry partners.

Distance Learning. FTS University will make it easier for GSA customers to get excellent, affordable IT and Telecommunications training and education for their people. FTS will work with the private sector to develop curricula for certificate programs, offer courses and seminars, and present an annual training conference geared to fulfilling continuing education requirements. The FTS University will not have a campus, courses will delivered on-line, on-site, or off-site. FTS envisions a strong commitment to the best quality content, delivered by a highly reputable faculty.

Share-in-Savings. Share-In-Savings (SIS) contracting is a special contracting and funding strategy in which a system's development and operation are funded and the contractor paid (in part or in full) out of the savings or enhanced revenue generated by contract performance. The burden of risk in SIS contracting is shifted dramatically from the Government to the contractor. Contractor payment is made only after substantial results have been realized; thus, agencies pay only for results and not just effort. SIS contracting reduces costs and relieves the Government from funding capital funding expenditures or major investments. SIS acquisitions have significant potential to improve the performance of agency programs, and to bring in new technology and new methods of doing business. SIS improves contract focus by better aligning agency and contractor goals. Under SIS, what is good for the contractor is good for the Government and vice-versa.

E. Performance Goals

IT Solutions & Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal **Grow the business – increase IT Solutions business volume in order for FTS to attain 15% of the Federal IT market.**

In a competitive environment, it is important that FTS keep its existing customers and cultivate new ones. In order to do so, FTS will market itself as a quality provider of technology services at competitive prices that can help agencies achieve significant IT savings. It is also increasingly important for FTS to collaborate with other GSA components to facilitate the representation of the common face of GSA for all types of GSA services. FTS will benefit from the marketing of the overall GSA image as a place where agencies can come for a larger GSA package that includes technology services. FTS plans to provide enterprise solutions and tailored levels of service at competitive prices.

FTS representatives must be knowledgeable of the customer's business to identify the best solutions and deliver superior customer service. Due to the expertise of our contracting and sales force, FTS has aggressively driven market prices down, and this is the reason for the projected decrease in the Network Services business volume. Business volumes represent both revenue and non flow-through payments made directly to vendors by customer agencies. Even though FTS is projecting decreasing business volume in Network Services, we consider this to be a successful result of our superior ability to drive market prices down and offer advantageous pricing to our customers that ultimately saves the taxpayers.

Performance Measure

Total business volume as a percent of the Federal IT market.

	IT Solutions Business Volume	Network Services Business Volume	Restated % Federal IT Market	Restated Total Total Estimated Federal IT Spending
FY 1999 Baseline	\$3.3 billion	\$1.2 billion	13.7%	\$32.941 billion
FY 2000 Target	\$4.3 billion	\$1.1 billion	15.8%	\$34.221 billion
FY 2001 Target	\$4.9 billion	\$1.0 billion	16.6%	\$35.551 billion

NOTE: The Percentage of the Total Available Federal IT Market has been restated because OMB Exhibit 43, Obligations for Information Technology, is no longer available. FTS is now calculating market share based on OMB Exhibit 42, Report on Information Technology. The use of the OMB Exhibit 42 data results in lower market share projections than FTS was projecting when utilizing OMB Exhibit 43.

Strategies:

Use FTS competitive analysis studies to penetrate new Federal markets to increase obligations and revenues.

Identify new customers and small agencies that have the greatest need for support in telecommunications and IT buys, to help them with their requirements.

Procure and offer customers a full array of network services and IT solutions services at competitive prices.

Expand FTS presence overseas – Europe in FY 1999; the Far East and other areas in FY 2000.

Develop contractual vehicles to allow agencies to enter into agreements to share risks and rewards with the private sector (e.g., Share In Savings).

Implement the Customer Database and the Grey Pages, both of which are web-based databases. The Customer Database has information to help identify our customers and provide an on-going record of communications with them. The database will include a listing of all FTS customers and detailed information about customer contacts, purpose and dates of meetings, and other pertinent information. The Grey Pages is a database of formal or informal points of contact or associations that can be leveraged to help grow the business. It should allow FTS to capitalize upon the contacts that FTS employees have with officials in other agencies by maintaining a database of potential customers and FTS employees that have relationships with officials at those agencies.

Utilize and update the Products, Services and Solutions Database to facilitate understanding and enhance knowledge of FTS employees about the most current available offerings within FTS. This will allow FTS to take advantage of opportunities to increase the business volume of various service offerings.

Continually explore new service offerings and adopt programs that have potential for expanding the FTS share of the Federal IT market.

Collaborate with other GSA components to increase the potential for customer relationships.

Budget Link: Information Technology (IT) Fund total revenue of \$5.5 billion* plus non-flow through of \$0.4 billion for a total projected business volume of \$5.9 billion for FY 2001 would represent 16.6% of the total Federal IT Market.

*The FY 1999 baseline and the FY 2000 and FY 2001 targets do not match the FY 2001 budget. The FY 1999 baseline matches the financial statements that were adjusted after the FY 2001 budget cutoff date set by OMB. In addition, the FY 2000 and FY 2001 targets were revised by management in January 2000 to more realistically reflect the rapid growth being experienced by FTS. For additional information see Section I. Budget Crosswalk.

**Verification/
Validation:**

Financial data are currently maintained in the GSA National Electronic Accounting and Reporting (NEAR) system. GSA will be migrating to a new system called Pegasys beginning in FY 2000. NEAR and Pegasys will be maintained simultaneously in FY 2000 so that the integrity of the Pegasys system can be verified and validated. Financial data will be maintained in the Pegasys system in FY 2001. Audited annually for the past 10 years by an independent public accountant, GSA's financial statements have earned an unqualified opinion (a clean opinion) each year.

Total Federal IT market share is based on projections of Total Federal IT Spending provided by OMB Exhibit 42 as follows:

FY 1999	\$32.941 billion
FY 2000	\$34.221 billion
FY 2001	\$35.551 billion

IT Solutions & Network Services

GSA

Strategic Goal **Promote Responsible Asset Management**

GSA Strategic

Objective **Invest in the competencies of our workforce.**

Performance Goal Be Employee Centric – develop the FTS culture to better serve clients and achieve business results.

FTS works with employees to ensure that they have an environment that is worker-friendly and that the employees have the tools, technical skills, and supporting infrastructure to do their jobs so that they can improve their performance and achieve the intended business results. The survey was given to GSA employees in FY 1998 and will be conducted no less often than every two years to measure how effectively GSA is implementing continuous quality improvement, and to determine the status of, and changes in workplace issues over time. The seven elements covered in the annual culture survey are: top management leadership and support, strategic planning for quality, customer focus, employee training and recognition, employee empowerment, measurement and analysis, and quality assurance. The ten aspects evaluated in the organizational climate section include: leadership, decision-making, communication, goals, creativity and innovation, teamwork, training, job satisfaction, environment, and labor management.

Performance Measure

Average ratings (percentile of average responses in agreement with the culture survey categories) on the quality culture and organizational climate survey.

FY 1998 Baseline:	68%
FY 1999/2000 Target:	70%
FY 2001/2002 Target:	72%

Strategies:

Develop and implement action plans to improve FTS' culture.

Identify core competencies for each profession, create individual development plans, and identify and implement developmental work opportunities.

Expand personnel compensation in the form of fast track cash awards to reward employees for performance. Continue providing incentive initiatives on a quarterly basis, such as business cards, peer recognition awards (\$50 vouchers).

Increase investment in employee training. Provide employees with an individual training budget of 1% of salaries intended to allow employees to have a direct role in their own development. This individual training budget of 1% is in addition to the normal 4% training allocation. This total FTS employee training investment is 5%.

Comply with Federal Acquisition Streamlining Act (FASA) requirements which require the Administrator to establish policies and procedures for the effective management (including education, training, career development, and performance incentives) of the acquisition workforce of the agency. FTS considered any necessary training under FASA to be included as part of the 5% employee training investment.

Increase all forms of communications so that FTS employees have access to information necessary for effective job performance.

Provide employees with state-of-the-art technology and tools to help improve overall performance.

Budget Link: Total IT Fund obligations for FY 2001 of \$4.5 billion which includes \$1.7 million in other personnel compensation that includes funding for cash awards. Under other services, the total IT Fund obligations also includes \$5.0 million in training dollars based on approximately 5% of projected FY 2001 salaries.

**Verification/
Validation:**

Data are collected and analyzed by an independent contractor, with a good reputation in survey methodology and management, to ensure that the data are valid and reliable.

IT Solutions & Network Services

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making process.

Performance Goal **Be Customer Centric – reduce acquisition cycle times.**

For FTS customers, the speed with which we can deliver contract services is as highly valued as our competitive prices, as was shown by the explosive success of our FAST program. FTS has embraced acquisition reform and is constantly looking for better ways to expedite IT and telecommunications acquisitions to meet the new and emerging needs of customers. Recognizing the importance of timeliness, FTS is committed to reduce the time it takes to issue task and delivery orders.

Performance Indicator

Average calendar days to award task and delivery orders over \$2,500.

	<u>Average Number of Days from Request for Quotation to Award</u>	<u>Average Number of Days from Notice to Proceed to Award</u>
FY 1999 Baseline	12	16
FY 2000 Target	10	15
FY 2001 Target	9	14

NOTE: FTS made a decision to begin collecting data on task and delivery orders at a lower threshold of \$2,500 as opposed to our previous threshold of \$100,000.

Strategies:

Take advantage of key aspects of acquisition reform initiatives, such as use of commercial item contracting, multiple award indefinite delivery/indefinite quantity (IDIQ) contracts, and use of electronic commerce to improve timeliness.

Utilize Client Support Centers (CSCs) to provide direct client interface and support, issue and manage task orders against contracts, and deliver solutions to our clients.

Take advantage of the IT master contracts awarded and administered by Solutions Development Centers (SDCs).

Utilize and update the Products, Services and Solutions Database to facilitate understanding and enhance knowledge of FTS employees about the most current available offerings within FTS.

Fully implement and utilize the Integrated Task Order Management System (ITOMS) and the IT Solutions Shop (ITSS), a web based electronic commerce system, to facilitate the speed with which we can deliver services.

Include flexibility in new contracts to reduce the need for modifications.

Budget Link: Data is currently captured manually for both IT Solutions and Network Services. In the future, IT Solutions data will be captured in the ITSS system. The implementation of ITSS is scheduled for FY 2000. A total of \$3.3 million is included in the FY 2001 Budget under Regional IT Solutions and in the Cost and Capital Requirements exhibit.

**Verification/
Validation:**

Data are collected from the regional and Central Office contracting offices and are used to report the average number of days in the procurement lead-time cycle for contract actions. Detailed information about these actions is contained in the Federal Procurement Data System (FPDS) and forms the basis and backup for the information reported. Lead-time data are manually collected and reported by individual contracting offices. These reports are consolidated by the Office of Acquisition and reviewed by FTS management for accuracy.

IT Solutions & Network Services

GSA Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Increase market penetration to maximize service to Federal agencies and effect the greatest advantage to the Government.

Performance Goal Achieve and maintain an appropriate level of full cost recovery.

FTS plans to be the preferred technology provider for the Federal community. FTS will increase revenues through extensive outreach efforts, new acquisitions, and dialogue with our customers, stakeholders and industry. At the same time, FTS will ensure that its prices remain competitive by continuing to implement internal operating efficiencies within its programs to keep costs down.

Performance Measure

Excess revenue as a percent of total expenses (excluding unfunded expenses and reserve use).

	<u>IT Solutions Expense</u>	<u>Network Services Expense</u>	<u>Total Excess Revenue/(Loss)</u>	<u>Excess Revenue As Percent of Total Expenses</u>
FY 1999 Baseline	\$3,095 million	\$1,031 million	\$69 million	1.67%
FY 2000 Target	\$4,000 million	\$1,010 million	(\$10 million)	(0.20%)
FY 2001 Target	\$4,650 million	\$850 million	\$0 million	0.00%

NOTE: Total expenses exclude unfunded expenses and reserve use. The excess revenues for FY 1999 will be retained to fund FTS 2001 Transition, Innovative Technology initiatives, the WITS upgrade, and planned contributions to Working Capital. The projected loss in FY 2000 will be covered by the working capital reserve to support the IT Solutions planned move.

Strategies:

Maximize use of existing contracts, such as the \$25 Billion Millennia contract for large scale systems integration projects, the Millennia Lite for small to mid size systems integration projects, and the Seat Management contracts.

Procure and offer customers a full array of telecommunications and IT solutions services at competitive prices compared with those in the commercial sector.

Maximize use of the Applications in Support of Widely-Diverse End User Requirements (ANSWER) and the Access Certificates for Electronic Services (ACES) contracts which use public key infrastructure certificates as the enabling technology to provide end-to-end security of information for the citizen and the Government.

Ensure a smooth transition to the FTS2001 contracts which offer competitively priced, state of the art, comprehensive telecommunications services worldwide.

Continue to award the Metropolitan Area Acquisition (MAA) contracts which are designed to take advantage of competition in major markets to achieve an immediate, substantive, and sustained price reduction for local telecommunications services.

Complete implementation of a virtual wireless store that will feature both terrestrial and satellite-based wireless products and services.

Increase the use of non-FTS contracts for specialized buys, such as FSS Schedules and Government-wide Acquisition Contracts (GWACS).

Provide flexibility in new contracts to allow for tailored levels of service and pricing (e.g., direct order/direct bill).

Establish tiered rates for regional programs based on the level of service needed to meet customer requirements (i.e. limited versus full service).

Develop aggressive revenue goals and profit/loss targets for each business line against which performance will be measured quarterly. Develop and implement business plans, including marketing plans, to ensure the success of new contracts.

Implement ITSS and ITOMS to allow FTS to take advantage of the reduced costs associated with the electronic processing of transactions.

Take advantage of acquisition reform to bring new or enhanced services to the marketplace as rapidly as possible, such as shared savings. Increase participation of small, small-disadvantaged, minority and woman-owned businesses in all FTS programs.

Budget Link: Total IT Fund FY 2001 expenses of \$5.5 billion* and revenue of \$5.5 billion. Business volumes and projected break-even status for FTS programs as stated in the FY 2001 budget submission.

* NOTE: FY 2001 revenue and expenses do not match the FY 2001 budget. The FY 2001 projections were revised by management in January 2000 to more realistically reflect the rapid growth being experienced by FTS. For additional information see Section I. Budget Crosswalk.

**Verification/
Validation:**

Financial data are currently maintained in the GSA National Electronic Accounting and Reporting (NEAR) system. GSA will be migrating to a new system called Pegasys beginning in FY 2000. NEAR and Pegasys will be maintained simultaneously in FY 2000 so that the integrity of the Pegasys system can be verified and validated. Financial data will be maintained in the Pegasys system in FY2001. Audited annually for the past 10 years by an independent public accountant, GSA's financial statements have earned an unqualified opinion (a clean opinion) each year.

IT Solutions & Network Services

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making process.

Performance Goal **Be Customer Centric – increase customer satisfaction with FTS representatives and products/services by 2.8% over FY 2000.**

FTS obtains information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. FTS uses this and other customer information in planning and improvement efforts. The current survey effort consists of surveys that are specifically tailored to our IT Solutions and Network Services business lines and various programs.

Performance Measure Average ratings (percent responding as satisfied) on customer satisfaction ratings on annual FTS surveys.

	<u>IT Solutions</u>		<u>Network Services</u>	
	<u>Satisfaction with Representative</u>	<u>Satisfaction with Programs, Products & Services</u>	<u>Satisfaction with Representative</u>	<u>Satisfaction with Programs, Products & Services</u>
FY 1999 Baseline:	84.8%	82.5%	73.7%	76.2%
FY 2000 Target:	86.0%	83.7%	74.7%	77.3%
FY 2001 Target:	88.4%	86.0%	76.8%	79.5%

Strategies:

Ensure a smooth FTS2001 transition within two years of the December 18, 1998 award date.

Continue to give regional managers flexibility in setting local service rates, and to provide customers with a more concise, meaningful billing statement.

Provide FTS employees with an automated product and service catalog, a customer profile database, and other automated systems.

Continue to use various means to collect customer satisfaction and related marketing information.

Develop a new pricing strategy for local telecommunication services.

Segment customers using various methods; e.g., program, region, to better understand and meet their needs with the result of growing the business.

Establish Customer Action Teams (CATs) consisting of a nationwide confederation of existing FTS employees who center around specific customers. Initial customers that FTS will focus on include the Environmental Protection Agency (EPA), the Defense Financial Accounting Service (DFAS), the Army Corps of Engineers, and the Internal Revenue Service (IRS).

Continue to educate FTS representatives in product and service offerings and customer service.

Ensure that all FTS representatives are well educated in multiple business line disciplines so they have the ability to present GSA as a "total solutions source."

Use customer data in the FTS strategic planning process to better position FTS to grow its business.

Budget Link: Total IT Fund obligations for FY2001 total \$4.5 billion which includes \$4.0 billion for other services. Under other services, the total IT Fund obligations in FY2001 include an amount for the cost of the customer survey.

**Verification/
Validation:**

Customer satisfaction surveys are designed and the results analyzed and reported by independent contractors with good reputations in survey methodology and management to ensure that the data are valid and reliable.

IT Solutions & Network Services

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker.

Performance Goal **Be Customer Centric – increase the number of actions awarded to stimulate new and enhanced service offerings by 2 percent over FY 2000.**

FTS is committed to providing its customers leading-edge technology and streamlined and innovative acquisition practices. FTS will use the findings of competitive analysis studies to identify new technology service offerings. We will also work with other GSA organizations on integrated projects that have a technology component. In addition, FTS will identify customer requirements for new or enhanced service offerings and collaborate with the contractor community to find ways to meet their needs quickly and inexpensively.

Performance Measure:

Number of contracts and modifications awarded. Includes all actions that exceed \$100,000.

	Number of <u>Actions</u>
FY 1999 Baseline	601
FY 2000 Target	607
FY 2001 Target	619

Strategies:

Use market analyses to identify potential new service offerings.

Implement the Business Case Assessment Model (BCAM) to assist in the evaluation of potential service offerings to determine if it makes good business sense to undertake procurements.

Collaborate with other GSA components to increase the potential for customer relationships.

Expand partnerships with industry to keep abreast of new opportunities to meet customers' changing needs. Develop new contracts that maximize use of commercial solutions and commercial business practices.

Set and meet aggressive milestones for all procurement awards.

Budget Link: Information Technology (IT) Fund total projected business volume of \$5.9 billion* for FY 2001 would represent 16.6% of the total Federal IT Market.

NOTE: The FY 2001 business volume and market share projections do not match the FY 2001 budget. The FY 2001 projections were revised by management in January 2000 to more realistically reflect the rapid growth being experienced by FTS. For additional information see Section I. Budget Crosswalk.

**Verification/
Validation:**

Data are collected from the regional and Central Office contracting offices and are used to report enhancements and new awards. Detailed information about these actions is contained in the Federal Procurement Data System and forms the basis and backup for the information reported. These reports are consolidated by the Office of Acquisition and reviewed by FTS management for accuracy.

Financial data are currently maintained in the GSA National Electronic Accounting and Reporting (NEAR) system. GSA will be migrating to a new system called Pegasys beginning in FY 2000. NEAR and Pegasys will be maintained simultaneously in FY 2000 so that the integrity of the Pegasys system can be verified and validated. Financial data will be maintained in the Pegasys system in FY 2001. Audited annually for the past 10 years by an independent public accountant, GSA's financial statements have earned an unqualified opinion (a clean opinion) each year.

Total Federal IT market share is based on projections of Total Federal IT Spending provided by OMB Exhibit 42 as follows:

FY 1999	\$32.941 billion
FY 2000	\$34.221 billion
FY 2001	\$35.551 billion

Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal Acquire FTS2000/2001 prices that are lower than and remain competitive with average commercial prices.

FTS prides itself on offering its customers quality goods and services at competitive prices. FTS2000/FTS2001 prices are consistently lower in the aggregate than the lowest commercial prices. FTS2001 prices will continue to decrease and are expected to continue this relationship

Performance Measure

Percent FTS2000/FTS2001 lower than commercial prices.

	<u>% Below Commercial</u>
FY 1999 Estimated Baseline	15.5%
FY 2000 Target	15.0%
FY 2001 Target	15.0%

Strategies:

Ensure a smooth FTS2001 transition by December 2000.

Emphasize business growth in Data Service to assist in counteracting shifting trends in Voice Service attributable to decreasing Voice Service prices.

Explore publishing only total rate charged to customers rather than providing a breakdown of the rate structure indicating flow through costs and surcharge percentage in order to facilitate full cost recovery.

Monitor and compare total program prices of FTS2001 with those of equivalent commercial services for the same FTS2001 traffic and circuits.

Budget Link: FY 2001 Information Technology Fund total long distance expenses of \$532 million.

Verification/**Validation:**

Commercial rates are currently obtained from FCC tariffs. Calculations are performed with the aid of computer models developed by Mitretek Systems and have been in use and updated over several years. The calculations performed by Mitretek were presented in the January 1999 GSA Report to Congress on the Cost Effectiveness of the FTS2000 Program.

Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal Reduce average monthly local line rate by 12% over FY 2000.

The FTS regional telecommunications program continues to reduce the average monthly line rate. The projected average monthly line rate projected for FY 2000 reflects an overall reduction of almost 35% from the FY1994 average monthly line rate. In FY 1998, FTS proceeded with its planned Metropolitan Area Acquisition (MAA) program, designed to take advantage of competition in major markets to achieve an immediate, substantive, and sustained price reduction for local telecommunications services.

Performance Measure

	Average monthly line rate.		
	Monthly <u>Line Rate</u>	Prior Year Monthly <u>Line Rate</u>	Percent Reduction <u>Over Prior Year</u>
FY 1999 Baseline	\$19.74	\$21.01	6.1%
FY 2000 Target	\$18.81	\$19.74	4.7%
FY 2001 Target	\$16.55	\$18.81	12.0%
Long Term	\$15.00	\$16.55	9.4%

Strategies:

Continue to award Metropolitan Area Acquisitions (MAAs) contracts for local telecommunications services nationwide in major metropolitan areas in FY 2000. This new contract vehicle will leverage the large Federal presence in these highly competitive markets to maximize the benefits and savings to the Federal user.

Continue reducing costs by 1) providing customer billing information via the Internet, which results in significant savings in printing and distribution costs; 2) revising FTS' cost distribution process to provide a more equitable charge for services used.

Budget Link: FY 2001 Information Technology Fund cost needs for total local service expenses of \$314 million.

**Verification/
Validation:**

For each fiscal year, FTS cost data and projected business volume data are used to compute the average monthly line rate. Financial data are currently maintained in the GSA National Electronic Accounting and Reporting (NEAR) system. GSA will be migrating to a new system called Pegasys beginning in FY 2000. NEAR and Pegasys will be maintained simultaneously in FY 2000 so that the integrity of the Pegasys system can be verified and validated. Financial data will be maintained in the Pegasys system in FY2001. Audited annually for the past 10 years by an independent public accountant, GSA's financial statements have earned an unqualified opinion (a clean opinion) each year.

IT Solutions & Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal **Achieve and maintain an appropriate business volume with small business as a percent of prime contracts.**

The Federal Government's statutory goals for contracting with small businesses (SBs) in FY 2000 are: 23% for small businesses, 5% for small disadvantaged businesses, 5% for women-owned small businesses and 1.5% for HUBZone small business concerns. HUBZone goals increase to 2% in FY 2001, 2.5% in FY 2002, and 3% in FY 2003 and thereafter.

Performance

Small business as a percent of prime contracts.

	Percent Goal
FY 1999 Baseline	20.85%
FY 2000 Target	24.97%
FY 2001 Target	25.97%

NOTE: It should be noted that the FTS goals do not meet all of the Federal Government's overall statutory goals described above but are considered realistic based on the nature of our business. This is mainly attributable to the impact of the long-term large dollar value FTS 2000/2001 contracts which have been awarded to large businesses. It is also reasonable considering the nature of the telecommunications industry.

Strategies:

Actively participate in efforts to publicize contract opportunities to small businesses. For all FTS programs, increase participation of small, small disadvantaged, minority and woman-owned businesses.

Promote accelerated payment initiatives whereby the government will pay small business vendors more quickly than the 30 days required by the Prompt Payment Act when vendors are willing to offer advantageous discount terms.

Set and meet aggressive milestones for all procurement awards.

Budget Link: Information Technology (IT) Fund obligations for FY 2001 are \$4.5 billion which includes contracts awarded at the regions and contracts awarded by the Central Office.

**Verification/
Validation:**

Data are collected from the regional and Central Office contracting offices and are used to report enhancements and new awards. Detailed information about these actions is contained in the Federal Procurement Data System and forms the basis and backup for the information reported. These reports are consolidated by the Office of Acquisition and reviewed by FTS management for accuracy.

F. Management Challenges and Solutions

IT Fund Cash Position

The Office of Management and Budget (OMB) Circular No. A-34, Instructions on Budget Executions, prohibits revolving funds from going into a negative cash position in anticipation of Federal or non-Federal reimbursements. Disbursing into a negative cash position is viewed by OMB as an Anti-Deficiency Act violation. With explosive business growth over the last several years, the IT Fund is experiencing the lowest cash balance ever. This is the result of increased business volumes, the 30 to 60 day lag time between payments to contractors and cash receipts from customers, and an effort to expand FTS business with small business (SB) and small and disadvantaged businesses. While FTS negotiated an agreement with its major customers so that they are billed through the On-Line Payment and Collection system (OPAC), some problems are expected to remain with lag times and SB contracts. FTS may have to delay paying our vendors for work performed and incur significant interest charges in the process.

FTS has taken and is continuing to take aggressive action to maintain a healthy cash position. However, as IT Fund business volume continues to grow, lag times between payments to vendors and receipts from customers further strain the Fund's cash reserves. When cash reserves are low, FTS must postpone or forego investment decisions which are in the best interest of our customers.

FTS proposes an exemption to OMB Circular No. A-34. The IT Fund should be permitted to temporarily go into a negative cash position when anticipating reimbursements. The IT Fund should not be viewed as violating the Anti-Deficiency Act in this situation. There are ongoing discussions between GSA and the Office of Management and Budget to resolve the cash problem.

Transition to FTS2001

FTS2000 was the GSA-managed program that provided domestic long distance telecommunications services to Federal agencies in the United States and certain territorial possessions. The program offered integrated voice, data, and video telecommunications services to meet Government-wide common-user needs. The services have been provided by two private sector companies under separate ten-year contracts. The FTS2000 contracts were competitively awarded on December 7, 1988 to AT&T and Sprint.

The FTS2001 acquisition was awarded in December 18, 1998 and January 11, 1999 to Sprint and MCI Worldcom, respectively. It is intended to satisfy the long-haul telecommunications requirements of Federal agencies and other authorized users. Like the highly successful FTS2000 contracts, FTS2001 provides a wide range of services at low cost. However, the list of services under FTS2001 has been expanded and geographic coverage will be worldwide. Services offered under the new contract include circuit-switched services, switched data services, dedicated transmission services, and video conferencing.

Under the FTS2000 contract, AT&T supplied approximately 70% of the network. The implementation of FTS2001 requires that all of these services be transitioned to one of two other vendors, either MCI or Sprint. Transition is a relatively complex undertaking. There is a significant element of planning, engineering, and coordination that must occur to assure minimal disruption to the agencies as they continue to conduct their missions. To ease in the transition, extension contracts under FTS2000 were awarded to both AT&T and Sprint for one year, with two six month options. Transition is expected to be completed by December 2000. These extension contracts are provided for purposes of providing continuity of services to agencies during the transition period

Reduction in Revenues

Recent success in acquiring the best prices for the Federal government under contracts like the MAA and the FTS2001 may result in a reduction in FTS revenue and a challenge to managers who are trying to generate enough revenue to cover all operating expenses. Due to the favorable market forces and the expertise of our contracting and sales force, prices have fallen and although FTS expects to grow the business and increase its market share, revenues in these traditional product lines may be reduced.

Aging Workforce

The average age of FTS employees as of January 1999 was 46.7 years. This represents a challenge to management because FTS stands to lose a significant amount of corporate knowledge as employees retire. FTS is pursuing an employee centric strategy and is seeking to build and leverage our Intellectual Capital so that we can face the new millennium with competent leaders and highly technical employees.

Non-mandatory Environment

FTS programs financed by the IT Fund will continue in a competitive environment in FY 2001. It is important that FTS keep its existing customers and cultivate new ones in this environment. In order to do so, FTS will market itself as a quality provider of technology services at competitive prices that can help agencies achieve significant IT savings. It is also increasingly important for FTS to collaborate with other GSA components to facilitate the representation of the common face of GSA for all types of GSA services.

FTS will benefit from the marketing of the overall GSA image as a place where agencies can come for a larger GSA package that includes technology services. FTS plans to provide enterprise solutions and tailored levels of service at competitive prices. FTS representatives must be knowledgeable of the customer's business to identify the best solutions and deliver superior customer service.

G. Cross-Cutting Issues

Presidential Decision Directive Number 63

On May 22, 1998, President Clinton issued Presidential Decision Directive Number 63 (PDD-63) outlining the Government's approach for protecting the nation's critical infrastructures. GSA was appointed as the Executive Agent for the Federal Sector to oversee the development of an interagency initiative for PDD-63. In this initiative, GSA has assured that each department and agency was provided with critical infrastructure protection planning guidance to assist them in the preparation of their agency's critical infrastructure protection plan. This support includes but is not limited to guidance for vulnerability assessment implementation, contingency planning methodology, and/or research and development planning activities.

Included in the PDD-63 issues and challenges is the establishment of relationships between Federal departments and agencies. In addition, GSA officials seek to raise the awareness of the Government-wide threat and vulnerabilities and their link with the private sector. Two of the PDD-63 priorities are to create an effective information-sharing network and identify a centralized funding mechanism.

The Federal Computer Incident Response (FedCIRC) program is being phased out and will be replaced and expanded upon by the Federal Intrusion Detection Network (FIDNET). FIDNET is a collaborative effort to institute a government-wide network defense capability that would identify, isolate and analyze hostile activities or misuse of federal information technology resources. The program brings together elements of the GSA, the National Infrastructure Protection Center (NIPC), the National Security Incident Response Center (NSA-NSIRC) and the Department of Defense's Joint Task Force-Computer Network Defense (JTF-CND) program. This effort plans to employ both existing and new technologies to detect attacks targeting government computer systems and networks that incorporate connectivity to the global Internet. The increase in hostile and malicious activities and the requirements mandated under PDD-63 requires that Federal agencies are afforded the necessary protection against cyber intrusion and establish capabilities to protect sensitive information and components of the critical information infrastructure. The FIDNet is a multi-agency-coordinated response to that requirement.

Integrated Services

Since integrated service delivery is the blueprint for the GSA of the future, FTS is participating in several cross-cutting initiatives. The three GSA services have worked together on collaborative teams developing several initiatives.

Federal Supply Service (FSS) has been very successful selling supplies and services through its on-line ordering system, GSA *Advantage!*. FTS is collaborating with FSS, so FTS can offer IT Solutions and Network Services through GSA *Advantage!*.

FTS teamed with the Public Building Service (PBS) and FSS on the Census Project. FTS is providing communications services, FSS is providing furniture, and PBS is providing space for the needs of the upcoming Census in 2000.

H. Program Evaluation

The Office of Inspector General's FY 2000 draft audit plan includes a number of reviews pertaining to FTS:

Audit Title: Seat Management Initiative

Focus: Are adequate system services being provided under the seat management initiative, such as security, access controls, and contingency plans, and what has been the experience with cost versus benefits to date? Completion is scheduled for September 2000.

Audit Title: Use of IDIQ Contracts

Focus: Is GSA's use of IDIQ contracts consistent with recent procurement reform legislation and has this use of IDIQ contracts resulted in timely, economical, and cost effective delivery of quality services? Completion is scheduled for September 2000.

Audit Title: Consolidated Report on GSA's Use of IDIQ Contracts

Focus: This report will synopsize the Office of Inspector General's conclusions concerning whether implementation of IDIQ contracts is consistent with recent procurement reform legislation. Completion is scheduled for March 2001.

Audit Title: Integrated Task Order Management System (ITOMS)

Focus: Does ITOMS provide FTS management with one system to properly maintain and track financial transactions? Completion is scheduled for September 2000.

Audit Title: MORRIS System Development

Focus: Is the Federal Technology Service developing the new MORRIS system to provide adequate automated capabilities and controls for GSA's billing and invoice verification function for the FTS 2001 Program? Completion is scheduled for March 2001.

Audit Title: FEDCAC

Focus: Do FEDCAC's management and financial controls provide reasonable assurance that program goals are met and resources adequately safeguarded and used effectively? Completion is scheduled for March 2000.

Audit Title: Information Technology Solutions Program

Focus: Are financial controls over the Information Technology Solutions programs effective and operating efficiently to meet objectives? Completion is scheduled for September 2000.

Audit Title: Performance Measures 2000

Focus: OMB Bulletin No. 93-06, Audit Requirements for Federal Financial Statements. Completion is scheduled for March 2001.

Audit Title: *FTS' Office of Information Security*

Focus: How well is the Office of Information Security accomplishing its mission and how responsive is this office to changing security environments? Completion is scheduled for September 2000.

Audit Title: *Billing Practices for FTS Wireless Telecommunications Services*

Focus: Do FTS' validation techniques for billings ensure that its customers are properly charged for services received, and not charged for waived fees or for "free minutes" permitted? Completion is scheduled for September 2000.

I. Budget Crosswalk

The actual financial data for the FY 1999 baselines match those presented in the FY 1999 Financial Statements. Information Technology (IT) Fund total projected business volume of **\$5.9 billion for FY 2001 would represent 16.6% of the total Federal IT Market.** This \$5.9 billion consists of \$5.5 billion in revenue (flow through) and \$420 million in direct order/direct bill (non flow through). In the FTS budget for FY2001 submitted to OMB in September 1999, total FY 2000 and 2001 revenue was estimated to be \$4.3 billion. FTS management revised both FY 2000 and FY 2001 revenue projections to \$5 billion and \$5.5 billion, respectively, in January 2000.

Revisions were also made for the following:

	FY 2000 As presented in OMB Budget			FY 2000 Revised January 2000		
	Revenue	Expenses	Excess Revenues	Revenue	Expenses*	Excess Revenues
IT Solutions Business Line	\$3,379	\$3,396	(\$17)	\$4,077	\$4,000	\$77
Network Services Business Line	923	1,014	(91)	923	1,010	(87)
Totals for FY2000	\$4,302	\$4,410	(\$108)	\$5,000	\$5,010	(\$10)
Direct Order/Direct Bill						
IT Solutions Business Line	\$196			\$196		
Network Services Business Line	175			175		
Total Direct Order/Direct Bill	371			371		
Total Business Volume	<u>\$4,673</u>			<u>\$5,371</u>		
FY 2001						
	As presented in OMB Budget			Revised January 2000		
	Revenue	Expenses	Excess Revenues	Revenue	Expenses*	Excess Revenues
IT Solutions Business Line	\$3,459	\$3,463	(\$4)	\$4,681	\$4,650	\$81
Network Services Business Line	\$819	\$845	(26)	\$819	\$850	(81)
Totals for FY2001	\$4,278	\$4,308	(\$30)	\$5,500	\$5,500	\$0
Direct Order/Direct Bill						
IT Solutions Business Line	\$228			\$228		
Network Services Business Line	193			193		
Total Direct Order/Direct Bill	421			421		
Total Business Volume	<u>\$4,699</u>			<u>\$5,921</u>		

*Note: The expenses presented as "Revised January 2000" exclude unfunded expenses and reserve use.

IX. OFFICE OF GOVERNMENTWIDE POLICY

The Federal Property and Administrative Services Act of 1949 authorizes GSA to provide for a Governmentwide system for procurement and supply of personal property and management services; utilization of available property; disposal of surplus property; and records management¹. By this authority and other authority provided through Executive Orders and other governing guidance, GSA develops, facilitates and interprets Governmentwide policies in these areas. In December 1995, GSA created the Office of Governmentwide Policy (OGP) to consolidate its policy functions and into a single organization separate from its business operations.

OGP's mission is to improve Governmentwide management. In order to accomplish its mission, OGP must build and maintain a policy infrastructure for the Federal Government which:

- Develops and implements requirements of Federal laws and Executive Orders by issuing policies for the acquisition, management, and use of Federal resources.
- Identifies, evaluates, and promotes the use of best practices for the acquisition, management, and use of resources and technology.
- Develops performance measurement systems to assist Federal agencies in improving their administrative operations.
- Provides on-line access to policies, best practices and Governmentwide databases to Federal agencies in managing their administrative operations.

Along with the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM), OGP exercises GSA's authority as one of the central management organizations of the Federal Government. It collaborates with the Federal community and others to develop policies and guidelines, to provide education and training, and to identify best practices in the areas where GSA has or supports policymaking authority:

- Acquisition
- Real Property
- Personal Property
- Travel
- Transportation (Including motor vehicles, aircraft and mail management)
- Information Technology and Electronic Commerce
- Use of Federal advisory committees
- Regulatory Information
- Intergovernmental IT management

¹ A complete discussion of GSA's authorities is contained in the GSA Strategic Plan.

OGP's sphere of influence is extensive, covering

- all Federal procurement actions—28.1 million, obligating \$205.2 billion, in 1998; (1999 data unavailable as of this writing);
- the entire Government space inventory—3.2 billion square feet;
- all Federal fleet activities—nearly 578,000 vehicles and 1400 civilian aircraft;
- disposal of over \$13 billion of Federal excess and surplus property (both real and personal) each year.

OGP also influences the way the Government operates now and in the future. It provides guidance, information and performance measures to make the Federal Government's administrative processes more efficient and effective. It creates opportunities for interagency, intergovernmental and public-private collaboration in developing the regulations and policies that affect them. It provides leadership in the use of the Internet, electronic commerce, and the drive toward a paperless Government. It functions as a clearinghouse for the exchange of critical information on Year 2000 solutions, Federal procurement opportunities, information resource management, and best practices.

OGP delivers products and services in a different way than other GSA programs. The consumption of these services is manifested in the way the Federal workforce and the private sector conduct their daily business. For example, a Federal employee must follow certain rules in order to be compensated for travel or relocation on behalf of the Government. Those rules are governed by Federal Travel Regulations issued by OGP. By the same token, vendors must meet certain requirements to respond to government solicitations. In this instance, both private-sector vendors and public-sector agencies that issue solicitations must follow Federal Acquisition Regulations disseminated by OGP's Office of Acquisition Policy. The outcomes of its processes—while far-reaching enough to affect every Federal employee—are not yet as easily measurable. Yet OGP has a broad mandate to build and maintain a Governmentwide policy infrastructure, to support other Federal policymaking agencies, and to lead specific improvement initiatives. This performance plan is organized around these responsibilities.

A. Governmentwide Policy Infrastructure

OGP provides a Governmentwide policy infrastructure to guide and assist Federal agencies in performing the administrative services that support their missions. With this broad mandate, OGP's policymaking authority encompasses or supports the following 12 areas:

ACQUISITION	AIRCRAFT
COMMITTEE MANAGEMENT	ELECTRONIC COMMERCE
INFORMATION TECHNOLOGY	MAIL
MOTOR VEHICLES	PERSONAL PROPERTY
REAL PROPERTY	INTERAGENCY IT MANAGEMENT
TRANSPORTATION	TRAVEL
REGULATORY INFORMATION SERVICE CENTER (RISC)	

OGP has the responsibility to create and support networks of agency representatives who will be affected by policymaking in these areas, to bring them together to collaborate on developing the policies and guidelines, and to share the information necessary to instill consistent and orderly processes throughout the Government. These interagency groups—committees, subcommittees, teams and task forces—work together to recommend policy and regulatory changes and to support legislative recommendations, bringing their own agency perspectives to the process.

In addition to sponsoring and participating in meetings, forums, conferences and workshops, OGP supports these groups by providing policies and guidelines, performance measurement systems, information on best practices, access to shared databases, and other support necessary to effectively implement the requirements of Federal laws and Executive Orders.

Governmentwide Policy Infrastructure

GSA

Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal: Organize, lead and collaborate with Federal agencies through interagency working groups to implement Federal Laws and Executive Orders and address Governmentwide issues.

Establishing new interagency working groups and supporting existing groups lays an important foundation for OGP's government-wide policy infrastructure. These groups serve as conduits for collaboration and cooperation with Federal agencies in developing policies and best practices in the administrative areas under OGP's purview. OGP is currently working with over 70 interagency groups, including local, State and even other national governments. This policy infrastructure assists Federal agencies in performing the administrative services that support their own missions.

Performance Measure:

Number of areas with OGP-supported interagency committees:

FY 1998 Baseline:	12 of 12
FY 1999 Target:	12 of 12
FY 1999 Actual:	12 of 12
FY 2000 Target:	12 of 12
FY 2001 & Beyond:	12 of 12

Strategies:

Support existing interagency committees:

ACQUISITION: Civilian Agency Acquisition Council; Interagency Procurement Career Management Committee; Federal Procurement Data System (FPDS) Policy Advisory Board.

AVIATION: Interagency Committee for Aviation Policy.

COMMITTEE MANAGEMENT: Interagency Committee on Federal Advisory Committee Management

ELECTRONIC COMMERCE (EC): Electronic Processes Initiatives Committee (EPIC); EC Coordinators; the Interagency Electronic Grants Committee; and the Smart Card Project Managers Group

INTERAGENCY IT MANAGEMENT:

Intergovernmental Advisory Board; International Council for IT in Government Administration; G-8 Government Online Project; Chief Information Officers Council; Government IT Services Board; IT Resources Board; the Federal Information Service Applications Council; and Partnership for Intergovernmental Innovation.

MAIL:

Interagency Mail Policy Council and its Board of Directors; the Postmaster General's Mailers Technical Advisory Council; and the State Mailers Forum.

MOTOR VEHICLES:

Federal Fleet Policy Council (FEDFLEET - headquarters level in Washington); FEDFLEET local chapters in several US Cities; Interagency Motor Equipment Advisory Committees; INTERFUEL (a multi-agency alternative fuel vehicle advisory committee); National Association of Fleet Administrators; and the American Association of Motor Vehicle Administrators. MTV will continue contacts with the Australian Fleet Managers Association and our fleet counterparts in the Canadian Government.

PERSONAL PROPERTY:

Interagency Committee on Property Management and the Computers for Learning Interagency Working Group

REAL PROPERTY:

Federal Real Property Council and the Cooperative Administrative Support Program (CASU) program.

RISC:

Regulatory Working Group and the US Business Advisor.

TRANSPORTATION:

Governmentwide Transportation Policy Management Council; Household Goods Shipping Council; Military Sealift Command Excess Capacity Working Group (Military Sealift Command)

TRAVEL:

Interagency Travel Management Committee; National Business Travel Association; American Hotel-Motel Association; Society of Travel Agents in Government (STAG); Regulatory Group (GSA, DoD, State and AID)

Expand existing committees and start sub-groups

Encourage greater participation by industry and other levels of government, where appropriate.

Budget Link: Approximately 31 FTE and \$3.4 million are included in the FY 2001 Budget Estimate for this function.

**Verification/
Validation:**

Membership surveys are taken on a regular basis.

Governmentwide Policy Infrastructure

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal: Maintain up-to-date policies and guidelines for those areas within OGP's responsibility.

OGP is responsible for not only developing regulations, but also for ensuring that they are updated to address issues raised by the Executive and Legislative branches.

Performance

Measure: Percent of planned regulatory changes completed

FY 1998 Baseline:	20 %
FY 1999 Target:	55 %
FY 1999 Actual:	58 %
FY 2000 Target:	85 %
FY 2001 & Beyond:	100 %

Strategies:

ACQUISITION: Reinvent and integrate disparate and competing socio-economic acquisition preference programs. Reassess policies on mandatory and optional sources of supply for the 21st century. Reinvent policies on providing and managing government property provided to contractors.

AVIATION: Assist with the revision of OMB Circular No. A-126; Revise and rewrite 41 CFR Part 101-37 in plain language format in early FY 2000.

COMMITTEE MANAGEMENT: Regulations implementing the Federal Advisory Committee Act (FACA) are located at 41 CFR Part 101-6. During FY 2000, OGP will seek to amend FACA to achieve a principle and outcome-based policy approach, rather than a process model.

ELECTRONIC COMMERCE: Issue smart card policies and interoperability guidelines.

INTERAGENCY IT MANAGEMENT:

Include accessibility requirements in the Federal Acquisition Regulations as mandated by Public Law 105-220, the Workforce Investment Partnership Act of 1998. Implement the Federal participant role outlined by OMB Circular A-119 describing the policies on the Federal use and development of voluntary consensus standards and on conformity assessment activities (Public Law 104-113). This effort aims to provide incentives and opportunities to establish standards that serve national needs and to reduce or eliminate costs of standard development and compliance. It complements OGP's rule-making on Section 508 of the Information Technology Accessibility Act.

MAIL:

Rewrite 41 CFR 101-9 in plain language format and establish new requirements that Federal agencies collect performance data, develop cost control plans, develop mail security plans, and send the performance data and cost control plans to GSA.

MOTOR VEHICLES:

Rewrite 41 CFR 101-38 and 41 CFR 101-6.4 in plain language format. Seek amendments to Public Law 99-550, "Official use of Government Passenger Carriers Between Residence and Place of Employment", to reduce administrative burden on Federal agencies. Issued GSA FPMR Bulletin on the installation of retrofit airbag on/off switches in motor vehicles owned or leased by Federal fleets.

PERSONAL PROPERTY:

Rewrite 41 CFR 101-42 through 46, 101-48, and 101-49 in plain language format in early FY2000.

REAL PROPERTY:

OGP reviewed the Federal Property and Administrative Services Act of 1949 and developed a legislative proposal that incorporates changes to the Act. This will be an ongoing initiative until the legislative process is complete. In addition, OGP conducts ongoing programs in telework, which we promote throughout the government. In FY's 2000 and 2001, OGP will review and revise CFR 102-71 through 82, Real Property Policies; CFR 102-84, Annual Real Property Inventories; issue guidance on implementation of the Transportation Equity Act for the 21st Century (TEA-21); and monitor PBS progress in converting the existing Federal Property Management Regulations to the Federal Management Regulation and Customer Service Guides.

TRANSPORTATION: Rewrite 41 CFR 101-40 and 41 in plain language format; develop and implement the regulations and guidance required under H.R. 930.

TRAVEL: Published revised Chapters 300 and 301 of the Federal Travel Regulations (FTR) in plain language format. Now working towards revising Chapters 302, 304 and the balance of FTR in plain language format. OGP is also developing and implementing the regulations for the Travel and Transportation Reform Act of 1998.

Budget Link: Approximately 31 FTE and \$3.4 million are included in the FY 2001 Budget Estimate for this function.

**Verification/
Validation:**

Regulatory changes are counted as complete when the rewritten or updated regulations are published in the Federal Register.

Regulations and policies are written based on input from agencies and the relevant interagency groups thereby validating the changes.

Governmentwide Policy Infrastructure

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal: Identify and publish best practices for those areas within OGP's responsibility.

In collaboration with Federal agencies, OGP identifies and publishes best practices in the areas within its purview. Publications take the form of printed documents, booklets and information posted on OGP web sites. In some areas, e.g., real property, the mechanism for disseminating best practices has been in place for some time and is widely used by customer agencies. In others, OGP is in the early stages of developing a methodology for identifying best practices and communicating them to the rest of the Government.

Performance Measure:

Percent of processes completed

FY 1998 Baseline:	50 %
FY 1999 Actual:	92 %
FY 2000 Target	100 %
FY2001 & Beyond:	100 %

Strategies:

Refine the methods in place in the following areas:

ACQUISITION: OGP supports the Office of Federal Procurement Policy (OFPP) with assistance in writing, editing, and posting the "Best Practices Guides" on ARNet.

AVIATION: Aviation management "best practices" are published in guidelines including the Aviation Cost Accounting Guide, Aviation Fleet Planning Guide, and Aviation Resources Management Survey Guide. Best practice information, including aircraft and parts exchange/sale and transfer guidelines, are also published on OGP's web site and in its quarterly newsletter.

INTERAGENCY IT MANAGEMENT:

Best practices for IT are published and distributed to all levels of government through a semi-annual newsletter and various other reports to officials and

visitors from around the world. Best practices are also shared as a result of three online directories of officials and organizations worldwide. In addition, OGP maintains an on-line compendium of award winning IT solutions for the use of governments worldwide.

MOTOR VEHICLES: OGP publishes the latest information on motor vehicles and related areas via the "Vehicle Views" newsletter and web site.

REAL PROPERTY: OGP publishes the latest information on public and private real property initiatives, trends and best practices in its quarterly *Real Property Polycysite* Newsletter, plus an annual special edition devoted to best practices. Each year an awards program is held that recognizes and advertises innovative policies and best practices in asset management. The *Real Property Information Clearinghouse* on the Internet provides a medium for Federal real estate professionals to share best practices and performance measures online.

OGP has an ongoing customer outreach program to evaluate our products and services and to provide input for new initiatives. OGP's Integrated Workplace program is recognized for its innovation and leadership; other OGP programs devoted to best practices include: Government-wide Real Property Information Sharing (GRPIS), Sustainable Development, Public-Private Partnerships, and Capital Project Decision-making.

RISC: Disseminates Regulatory information through the RISC NEWS newsletter, several web sites, and training classes.

TRAVEL: OGP publishes the latest information on travel and related events on web sites. Working on completing a per diem web site that will provide Federal travelers with reimbursement information in a more user-friendly, timely and efficient manner.

Complete development of best practices in these areas:

AVIATION: OGP worked with the Interagency Committee for Aviation Policy (ICAP) to produce Aviation Safety Standards Guidelines. The guidelines serve as a "table of contents". ICAP agencies agreed to (1) write a book of standards

pertinent to their various missions; (2) identify methods for enforcing their standards; (3) share standards and methods of enforcement, and (4) identify best practices. OGP is also establishing awards for best practices.

COMMITTEE MANAGEMENT: Secretariat provides current information on committee management best practices through OGP's Home Page, the Secretariat's own web site, and a newly-developed web-interactive CD-ROM. Best practices are also communicated through a quarterly interagency training course covering all aspects of the Federal Advisory Committee Act.

ELECTRONIC COMMERCE: OGP is seeking out strategic partners to adopt commercial practices and technologies; to identify, promote and leverage innovative practices; and to develop and support standards.

MAIL: OGP continues to identify and facilitate implementation of better and innovative best business practices in mail throughout the Government. In particular, during FY2000, OGP is instituting two annual awards: the Federal Mail Manager of the Year and the Federal Mail Center of Excellence.

PERSONAL PROPERTY: OGP worked with the Interagency Committee for Property Management and established a list of Personal Management Principles, as well as an annual award to recognize agencies for developing and implementing best practices based on those principles.

INTERAGENCY IT MANAGEMENT: Complete a documentary report entitled, "*Demonstrating the Efficacy of New Developments in Information Technology Accommodation: Supporting People with Disabilities as Survey Processors*" in order to highlight the results of the pilot conducted for the Census 2000. The aim is to make it easier for agencies to accommodate people with disabilities. The documentary video shares the pilot's findings with decision-makers in the Department of Commerce and other interested agencies. The video also complements a new Census business plan addressing strategies for hiring and establishing a support infrastructure. Further funding toward development and implementation of this approach has been provided by the National Science Foundation and the National Imaging and Mapping Agency in FY2000. OGP served primarily as the broker to bring the parties together.

MOTOR VEHICLES: Based on a recently completed Benchmarking Survey, OGP seeks to complete benchmarking studies on accident management and vehicle acquisition in partnership with some Federal fleets.

PERSONAL PROPERTY: OGP partnered with DOD and NASASP, to evaluate a DOD pilot program entitled, Recycling Control Point (RCP), that automates the screening process of excess military depot stock, providing for no cost transfers of excess property to Federal and State customers without prior physical inspection. The pilot was deemed a success and RCP is being implemented nationwide.

TRANSPORTATION: Examine data from on-going pilots on the use of alternative payment methods such as credit cards or commercial government bills of lading.

TRAVEL: Conducting a pilot project in partnership with the Department of the Army involving contracting for lodging in the Boston area.

Budget Link: Approximately 22 FTE and \$1.2 million are included in the FY 2001 Budget Estimate for this function.

**Verification/
Validation:**

Industry groups endorse identified best practices.

The number of pilot programs leading to full implementation of the practices they are testing increases.

Governmentwide Policy Infrastructure

GSA

Strategic Goal Promote Responsible Asset Management

GSA Strategic Objective Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal: Develop and promote performance measurement systems for Governmentwide use.

Performance Measure:

Number of areas with performance measurement systems

FY 1998 Baseline: 1 of 12

FY 1999 Actual: 7 of 12

FY 2000 Target: 11 of 12

FY2001 & Beyond: 12 of 12

Strategies:

Maintain and refine performance measures in place:

MOTOR VEHICLES: FEDFLEET members have agreed on a set of performance measures which are published annually based on data available from the latest Federal Motor Vehicle Fleet Report.

Complete development of performance measures in process:

ACQUISITION: The Office of Acquisition Policy is working closely with the Procurement Executives' Council to adopt a Balanced Scorecard framework for performance measurement of Federal agencies' procurement operations. At the same time, OAP is using the Balanced Scorecard framework to gather performance measurement data from internal GSA procurement offices.

AVIATION: OGP collects data on aircraft inventories, operating costs, and flight hours. The new on-line Federal Aviation Interactive Reporting System (FAIRS) is scheduled to be operational by the middle of FY 2000. The system will include various safety, performance and cost measures that can be used for benchmarking purposes.

- COMMITTEE MANAGEMENT: Performance measures have been developed to cover advisory committees at the macro level. They need to be refined to increase their usefulness at the individual agency/committee level.
- ELECTRONIC COMMERCE: OGP has been working with the EPIC Buying and Paying Task Force and the Procurement Executives Association to develop new and better EC performance measures. Draft measures have been circulated for comment. OGP is also building consensus to get EC data fields added to the Federal Procurement Data System so the data can be collected automatically at the point of action.
- REAL PROPERTY: OGP's real property performance measurement initiative is well established and features participation by Federal agencies, the private sector, and other governments. An annual report called, "Performance Results", was published in 1998 and 1999. New editions of this report will be released in 2000 and 2001, in order to continue tracking any changes and improvements. OGP is constantly innovating and adding to the established measures including workplace measures, a cost per person model, workplace impact on productivity, employee satisfaction, and the level of annual capital reinvestment. OGP also focuses resources on Governmentwide strategic planning, publishing the first-ever attempt to forecast real estate trends in the public sector (Real Property in the New Millennium), and continuing to support strategic planning for administrative services.
- PERSONAL PROPERTY: OGP currently measures the amounts of computer equipment transferred to schools. OGP also is developing a system that will support performance measures known as the Asset Disposition Management System.
- TRAVEL: OGP is developing its biannual Federal Agencies Travel Survey as a more meaningful performance measurement tool. The next survey will collect data on direct travel and relocation expenses to better derive the cost of travel to the Government. A separate action is underway to identify the indirect costs associated with administering the travel process.

Begin development of planned performance measures:

- MAIL:** Initial research is being conducted to determine how much the Federal Government spends on mail, and to identify sources of funding for a government-wide management information system for mail.
- MOTOR VEHICLES:** Continue to work with fleet industry associations to develop performance measures enabling Federal fleets to compare their operations to private sector fleets in a meaningful way.
- RISC:** OGP is working with OMB to identify performance indicators appropriate to the regulatory process.
- TRANSPORTATION:** OGP is working with client agencies to determine transportation requirements for mission accomplishment and to identify and develop cost effective, efficient systems. OGP will develop a system to capture transportation costs by modes, by agencies, and by regions, with the system phased-in beginning in FY 2000.

Implement planned systems:

- MOTOR VEHICLES:** Continue to develop and refine the Fleet Information Reporting System Tool (FIRST), a government-wide fleet management information system. Complete automation of the Federal Fleet Report, through which performance information from each agency fleet is published annually.
- PERSONAL PROPERTY:** The Asset Disposition Management System (ADMS) for personal property management is scheduled for implementation in June 2000. OGP will manage a contractor to design and develop the system, coordinate efforts with other agencies to identify common data elements, and coordinate technical requirements with agency IT staff to ensure interoperability.

Budget Link: Approximately 15 FTE and \$2.2 million are included in the FY 2001 Budget Estimate for this function

**Verification/
Validation:**

Agency/Industry agreement on what data should be collected and how to collect it.

Performance measurement systems under development are tested by selected agencies to see if they really measure what they are supposed to measure. Systems are improved based on these tests.

Agencies actually use performance measures systems to improve their operations.

Industry endorses performance measurement systems and provides industry measures for comparison purposes.

Governmentwide Policy Infrastructure

GSA

Strategic Goal Excel at Customer Service

GSA Strategic Objective Make Government policies and best practices timely, accessible and useful.

Performance Goal: Improve accessibility to shared databases and information on best practices and policies for Government, industry and the public's use.

Performance Measure:

Number of information systems accessible via the Internet

FY 1998 Baseline:	7 of 9
FY 1999 Target:	8 of 9
FY 1999 Actual:	7 of 9
FY 2000 Target:	9 of 9
FY2001 & Beyond:	100%

Strategies:

Increase access to shared systems by 1) demonstrating the benefits of the systems to other agencies, 2) informing agencies of the low costs of using OGP systems, and 3) maximizing the use of technological advances.

Use off-the-shelf software wherever feasible to ensure that it is accessible and compatible with other Government systems.

Migrate all shared systems to the Internet. OGP is currently working with FTS' FEDSIM program to find a contractor to accomplish this. The first to be shifted will be the Worldwide Inventory System for Federal Real Property.

OGP will ensure that all information available to the public electronically, meets standard practices for accessible web design by members of the public with disabilities, setting an example for other agencies.

Status of Information Systems:

ACQUISITION: Using the Acquisition Reform Network (ARNET) including the Electronic Posting System (EPS).

AVIATION: FAIRS will be deployed during the middle of FY 2000. FAIRS is an on-line, interactive system that will collect information on aircraft inventories, operating costs, and flight hours. The system will feature excellent ad hoc query and analysis tools.

COMMITTEE MANAGEMENT: During fiscal year 1999, the Committee Management Secretariat continued to refine its Internet-based information collection process. All information required by the Federal Advisory Committee Act is available on-line to agencies and the general public. The system is being expanded to automate related business processes and to capture unique information required by individual agencies. The system is accessible through OGP's Home Page.

ELECTRONIC COMMERCE: OGP and other agencies have been collecting EC statistics manually for years. While OGP has moved to an on-line system where agencies can use the Internet to enter data, many agencies are still collecting data manually. OGP is pushing to get EC data fields added to the Federal Procurement Data System so the data can be collected automatically at the point of action and simplify the reporting process.

INFORMATION TECHNOLOGY: (1) Maintain a web-based knowledge repository that contains sources of Section 508 accessibility assistance, commercial 508-certified hardware and software (as independent testing services become available). This repository includes links to agency best practices, the Department of Justice status reports on agency compliance with Section 508, and after August of 2000, links to the FAR language addressing Section 508 requirements (mandated by Public Law 105-220). (2) OGP publishes information, special publications and events for the CIO Council, GITSB, and ITRB through the IT Policy OnRamp web site. (3) OGP also posts best practices on its intergovernmental web site for use by all levels of government. (4) Maintain Electronic Agency (or eAgency) web site to assist Federal agencies in shifting interactions, transactions, products and services provided to the public to a more efficient electronic environment.

MOTOR VEHICLES: Federal fleet inventory and performance information is published annually via the Federal Fleet Report (FFR). This report is published on the Internet. A soon to be completed automated Fleet Information Reporting System will allow agencies via the internet to access their FFR data and generate customized statistical analysis and reports.

PERSONAL PROPERTY: The Asset Disposition Management System (ADMS) development began in FY 1998. This system will be Internet based, interactive, and provide online analytical processing tools. OGP will transfer and upgrade the Computers for Learning web site from the Department of Energy to help schools needing computer equipment to find Federal agencies willing to donate computers that match their needs.

REAL PROPERTY: Maintain, improve, and enhance the Foundation Information for Real Property Management (FIRM) and the Worldwide Inventory systems, including migration to the Internet. Conduct the Governmentwide Real Property Information Sharing (GRPIS) Program over FY 2000 and 2001 to explore means to communicate real property information in the Federal Government. This includes conducting additional studies in five communities as well as follow-up initiatives generated by the original GRPIS studies.

RISC: The RISC/OIRA Consolidated Information System (ROCIS) database is accessible through several web sites. The President's Budget for GSA requests an additional \$2 million to upgrade this system. The upgraded system will link three databases and use the Internet to disseminate information. The Executive Office of the President will also be able to track regulatory actions from development through final approval.

Budget Link: Approximately 13 FTE and \$387,000 are included in the FY 2001 Budget Estimate for this function exclusive of the proposed \$2 million to upgrade ROCIS (see above).

**Validation/
Verification:**

Web sites will be tested against the access validation tools referenced by the World Wide Web Consortium, a voluntary consensus standards body in which OGP and other government representatives participate.

Governmentwide Policy Infrastructure

GSA

Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and the public.

Performance Goal: Establish policies, standards and best practices to help develop an interoperable, single face for Government electronic business transactions.

The Federal Government's rapid transition to electronic processes raises a critical need to ensure that individual agencies do not become technologically "stove-piped" by developing proprietary administrative systems. In addition, the growth of the Internet and use of web technology have created a need to standardize business transactions so that the Government can operate efficiently with industry partners and the public in this new environment. OGP's mandate is to help the Government develop a common approach to the technological and administrative issues raised by the increasing use of electronic commerce.

Performance Measure:

A) Number of Government-wide solutions developed and best practices recognized

FY 1998 Baseline: N/A
FY 1999 Actual : 4
FY 2000 Target: 5
FY 2001 Target: 5

B) Number of Government-wide guidelines developed

FY 1998 Baseline: N/A
FY 1999 Actual: 3
FY 2000 Target: 5
FY 2001 Target: 5

C) Number of Government-Industry collaborative efforts to develop interoperability standards

FY 1998 Baseline: N/A
FY 1999 Actual: 4
FY 2000 Target: 7
FY 2001 Target: 7

D) Number of Government-Industry information sharing initiatives

FY 1998 Baseline: N/A
FY 1999 Actual: 7
FY 2000 Target: 7
FY 2001 Target: 7

Strategies:

Establish a Government-industry working group to consider technical issues in EC implementation and establish policies to encourage and facilitate Federal adoption of interoperability standards.

Conduct pilots to test Governmentwide interoperability solutions, such as those that would allow Federal agencies to search and buy from Government and commercial catalogs; provide a common interface for Federal grants applicants; permit open buying on the Internet; and other commercial practices.

Develop a policy framework and technical guidelines for digital signatures, which will allow web-based government business to take place in a secure electronic environment, a public key infrastructure. Use the Online Statistical Reporting System to develop performance measures and measure the progress of EC in the Government.

Continue working with DoD to provide funding and develop an EDI support infrastructure.

Budget Link: Approximately 4 FTE and \$725,000 are included in the FY 2001 Budget Estimate for this function

**Verification/
Validation:**

Pilot tests result in establishment of long-term operational systems.

Governmentwide Policy Infrastructure

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal: Provide a centralized source of information on IT products that have been tested by users with disabilities pursuant to the accessibility standard mandated by Section 508 of the Workforce Investment Act.

OGP is responsible for providing technical assistance to Federal agencies in complying with Section 508 of the Workforce Investment Act. Section 508 mandates that all electronic and information technology acquired by the Government be accessible to employees with disabilities. The law also mandates that standards for electronic and information technology be developed. To date, there is no infrastructure to facilitate the independent certification and testing of electronic and information technology accessibility. IT-TAG, Information Technology Testing for Accessibility, will provide this infrastructure.

Performance Measure:

Number of accredited independent testing labs participating:

FY2000 Target: 2
FY2001: 4

(Dates are contingent upon release date of standard.)

Strategies:

This program will contribute to efforts to make electronic and information technology procured for use in the Federal Government accessible to people with disabilities:

By establishing a network of accredited independent testing labs, via the Internet, providing a COTS (and legacy system) database with information on the status of COTS (and legacy system) products that are certified as meeting the accessibility standard,

By linking accessibility certification information with products on FSS IT Schedules contract via *GSA Advantage*.

Budget Link: Approximately 2 FTE and \$1 million are included in the FY 2001 Budget Estimate for this function

Verification/Validation:

Tracking of use of advanced search capability on *GSA Advantage* for accessibility certified items.

Survey of procurement officia's regarding their use of certification data in making purchase decisions.

Testing lab network becomes self-supporting through user fees validates the need for an independent testing lab network.

Governmentwide Policy Infrastructure

GSA

Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop an infrastructure to ensure that persons with disabilities are provided IT resources to enhance their participation in the workplace and to comply with the requirements of Pub. L 105-220, Section 508.

Performance Goal: Assist federal agencies where the products, services and infrastructure have not been implemented to meet the needs of persons with disabilities for a barrier-free IT environment.

The Rapid Service Valuation and Preparation (RSVP) Access Program will enable the Federal government to conserve skilled, human resources and reduce the hidden costs of information infrastructures that preclude or restrict participation and use by persons with disabilities.

The RSVP Access program will establish the conditions needed for rapid transfer and adoption of publicly recognized best practices as it exists today in several agencies.

Performance Measure:

Number of agencies with established RSVP Access Teams:

- FY2000 Baseline: 2 Agencies have publicly recognized infrastructures known to be accessible by persons with disabilities with 45% problems identified and solved.
- FY2000 Target: 5 Agencies have publicly recognized infrastructures known to be accessible by persons with disabilities with 65% problems identified and solved.
- FY2001 Target: 7 Agencies have publicly recognized infrastructures known to be accessible by persons with disabilities with 75% problems identified and solved.

Strategies:

Charter RSVP Access teams through agency CIO's.

Initial agency baseline performance will become available from the agency self-evaluation checklist conducted by Department of Justice. This baseline information will be used by the RSVP Access Teams to prioritize investment needs of the Federal government as a whole, as well as individual departments.

Social Security Administration benchmarks for accommodation services will be used as the governmentwide benchmark against which agency progress and planning proposals will be measured. RSVP Access Teams priorities, progress and investment proposals will be measured.

RSVP Access Teams (including employees with disabilities) learn techniques for on-going assessment and development of "barrier-free" IT based services.

By midyear, RSVP Access Teams' will submit investment proposals to RSVP Advisory Board that includes provisions for agency matching funds and or in-kind support. In-kind support includes sharing expertise, participation by employees with disabilities in IT performance validation testing or governmentwide improvement initiatives (e-commerce, smart cards, etc.)

Budget Link: Approximately 2 FTE and \$2.5 million are included in the FY 2001 Budget Estimate for this function

**Verification/
Validation:**

Independent verification of progress towards SSA benchmarks for accommodation services will be conducted.

Number of teams recognized by Federal decision-making councils for meeting expected performance investments.

B. Leadership and Support for Governmentwide Improvement Initiatives

OGP provides leadership and supports other Executive Branch policymaking organizations and all Federal agencies in efforts to improve administrative practices and services Governmentwide. Because it operates from a central point “above the fray,” with access to industry, all other agencies and other governments, OGP is uniquely positioned to coordinate major Governmentwide improvement initiatives, such as developing uniform standards and interoperability guidelines for electronic commerce, smart cards and digital signatures; mitigation of the Year 2000 computer problem; providing consistent training for agencies’ procurement personnel in the most recent Federal acquisition policies; improving the skills of Information Resources managers Governmentwide and facilitating the use of the Internet for exchange of Government information.

All of OGP’s efforts provide leadership and support improvements in Federal processes—improvements that can have a wide-ranging impact on how the Government functions. Indeed, OGP’s actions affect the economy, the entire Government and even the private sector. For many of these initiatives, it is virtually impossible to measure OGP’s contribution to achieving the Government’s desirable outcomes.

Through its work on the Federal Acquisition Regulation, for example, OGP is encouraging agencies to use commercial products rather than procuring equivalent products through elaborate and expensive Government contracts. The Government’s goal is to steadily increase the percentage of items procured commercially. While OGP’s acquisition policies foster commercial procurement, there is no way to isolate and quantify OGP’s impact. Likewise, while the widespread use of charge cards in Government purchasing is supported by OGP policies and OGP is spearheading the adoption of electronic commerce in the Government, OGP’s influence on the use of charge cards by Federal employees is not readily assessable. And, while OGP benchmarks fleet operations and facilitates the collection of performance measurement data for the Federal fleets, does not control fleet operating costs.

Therefore, the major initiatives described in this performance plan are a discrete few, and don’t fully reflect OGP’s wide-ranging sphere of influence. They are:

- Establishing and maintaining a core curriculum for training acquisition personnel
- Increasing the skills of IT Professionals Governmentwide
- Providing a single point of entry for companies to do business with the Government
- Providing leadership and support to critical efforts to help mitigate the Year 2000 problem
- Providing a single Federal gateway to the Internet.

Support for Government-wide Improvement Initiatives

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management, and utilization of Government Resources.

Performance Goal: Establish and maintain a core curriculum of internet-based courses and increase the number of training instances.

OGP’s Federal Acquisition Institute (FAI) works to promote research to improve procurement laws, policies, and related procedures; to identify critical competencies and academic prerequisites for acquisition career fields; to develop instructional materials for acquisition personnel; and to evaluate the effectiveness of training and career development programs for acquisition personnel. In its efforts to promote research and develop instructional materials, the FAI is developing an electronic performance support system (EPSS) which includes competency-based instructional materials, along with the mentoring for acquisition personnel. The EPSS is contained in the FAI Online University. An increase in training instances and use of the mentor system will mean that the number of procurement specialists trained on the latest regulations and best practices will increase, resulting in a better trained acquisition workforce.

Performance Measure:

A) Number of new Internet courses developed

FY 1998 Baseline:	N/A
FY 1999 Target:	3
FY 1999 Actual:	4
FY 2000 Target:	1
FY 2001 Target:	4

B) Number of Training Instances

(A training instance is defined as one person completing one course session.)

FY 1998 Baseline:	849
FY 1999 Target:	2,500
FY 1999 Actual:	11,157
FY 2000 Target:	2,750
FY 2001 Target:	20,000

Strategies:

Develop a total of 9 new internet-based courses, including commercial and non-commercial courses.

Move five college-credit core courses to the Internet by September 2001, as part of a partnership with Arizona State University and the National Association of Purchasing Managers to help the acquisition Workforce meet the educational requirements of the Clinger-Cohen Act.

Get agencies to adopt and implement a common core curriculum for their acquisition workforce, to promote a common knowledge base and enhance the ability of acquisition professionals to move within and across agencies.

Budget Link: Approximately 4 FTE and \$2 million are included in the FY 2001 Budget Estimate for this function.

**Verification/
Validation:**

The FAI Online University database tracks the training instances, agency affiliation, test results, as well as collects students' satisfaction ratings. Using FAI records, the staff of the FAI will verify that the database does not contain duplicate records and the information is complete.

Support for Governmentwide Improvement Initiatives

GSA

Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate and evaluate policies and best practices that enable better acquisition, management and utilization of Government resources.

Performance Goal: Improve the professional skills of present and future Federal IT leaders.

Performance Measure:

Number of Federal IT professionals in OGP IT leadership programs.

FY 1998 Baselines:

700 students enrolled in "1,000 by the Year 2000"
1,300 students completing Trail Boss seminars
130 participants at Trail Boss Roundup
250 participants at IRMCO

FY 1999 Targets:

850 students enrolled in "1,000 by the Year 2000"
1,400 students completing Trail Boss seminars
140 participants at Trail Boss Roundup
300 participants at IRMCO

FY 1999 Actuals:

857 students enrolled in "1,000 by the Year 2000"
1,383 students completing Trail Boss seminars
140 participants at Trail Boss Roundup
460 participants at IRMCO

FY 2000 Targets:

1,000 students enrolled in "1,000 by the Year 2000"
100 participants at Trail Boss Roundup
350 participants at IRMCO
40 STAR seminar participants

FY 2001 Targets:

1,100 students enrolled in "1,000 by the Year 2000"
100 participants at Trail Boss Roundup
375 participants at IRMCO
60 STAR seminar participants

Strategies:

OGP will provide several professional development opportunities for Federal information resource managers.

The "1,000 by the Year 2000", or 1000 x 2000, program seeks to have 1,000 Federal IT professionals receive certificates for 18 hours of graduate work by the end of 2000 from 28 participating colleges and universities.

The Interagency Resources Management Conference (IRMCO) enhances issue resolution and provides a venue for education and information sharing among government, academic and industry leaders. The forums directly impact program performance and mission delivery by improving the skills and competencies of participants, resulting in highly skilled and successfully effective Federal IT leaders.

Although the Trail Boss Seminars ended in FY 1999, the Trail Boss network and its Trail Boss RoundUp annual conference continue. During FY 2000, OGP in partnership with the CIO Council will begin a new program, the Strategic and Tactical Advocates for Results (STAR). STAR will focus on the development of mid- to upper-level managers and executives from the finance, information technology and business lines of an agency. It will focus on getting these communities to work together to achieve agency mission objectives more successfully.

Analyze data from broad-based Governmentwide activities such as the Federal IT Workforce Challenge and interagency groups addressing the White House's efforts to advance training technology to determine IT professional development needs.

Budget Link: Approximately 13 FTE and \$2.0 million are included in the FY 2001 Budget Estimate for this function

Verification/ Validation

Analysis of attendee databases; student surveys; surveys of conference and seminar attendees; interviews with alumni, network members, and Chief Information Officers are tools we use to ensure that the offerings are serving their intended purpose.

Support for Governmentwide Improvement Initiatives

GSA

Strategic Goal Anticipate Future Workforce Needs

GSA Strategic Objective Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal: Provide a "single face" for industry to find opportunities to do business with the Federal government.

This "single face" is the Electronic Posting System (EPS) of the Acquisition Reform Network (ARNet), which is a central web site for acquisition regulations, policies and guidance. Industry, especially small businesses, will be able to search and download solicitations, register for e-mail notification of applicable opportunities, and eventually submit proposals electronically. Federal agencies will save money by eliminating the need for the production, mailing and coordination of paper-based solicitations. Agencies that currently have electronic posting systems will save money by using the EPS instead of maintaining their own.

Performance Measure:

Number of agencies using the EPS system.

FY 1998 Baseline:	5
FY 1999 Target:	10
FY 1999 Actual:	12
FY 2000 Target:	20
FY 2001 & Beyond:	40

Strategies:

Enhance and expand the utility of EPS.

Refine the EPS software to ensure portability and scalability of the applications for Governmentwide use.

Work with Department of Commerce to integrate the electronic Commerce Business Daily with EPS.

Make regulatory changes to the FAR.

Budget Link: Approximately 4 FTE and \$2.4 million are included in the FY 2001 Budget Estimate for this function (includes \$1,400K increase for budget initiative related to the Electronic Posting System under "Electronic Governance")

**Verification/
Validation:**

The EPS will track which agencies are posting information to the system. OGP will track the number of hits or inquires received by the system.

Support for Governmentwide Improvement Initiatives

GSA

Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal Provide a prototype Federal gateway to the Internet to make Government information more accessible to the public.

To support the Administration's efforts to promote the use of the Internet, OGP is developing "WebGov," which will provide a single gateway site for quick and easy access to Government information over the Internet. WebGov combines consolidated information, hyperlinks and searching mechanisms to offer the public ready access to Governmentwide information on Federal policies, interactive learning modules, practices, guidance, web conferences and other assistance. This will save the public time locating information and make it easier for agencies to share information with the public. WebGov is an integral part of the strategy of the FTS Public Good Infrastructure initiative.

Performance Measures:

Number of links by WebGov to other web sites

FY 1999 Baseline: Develop beta version prototype web site with 1,000 links to Federal sites.

FY 2000 Target: Develop classification of web sites by topic and populate search database with at least 2,000 Federal web sites.

FY 2001 & Beyond: Build links to 10,000 web sites.

Strategies:

Provide initial analytical and system administrative support to develop and maintain the WebGov web site. (Ongoing maintenance and expansion will require substantial additional funding.)

Obtain contractor support to build and expand the search and classification features of WebGov.

Participate in the WebGov committee. Pursue strategic partnerships for the long-term operational sustainability of WebGov.

Budget Link: Approximately 2 FTE and \$280,000 million are included in the FY 2001 Budget Estimate for this function.

**Verification/
Validation:**

Track the number of visits to the Web site. Allow users to submit comments on how the improve the web pages.

X. OTHER RESPONSIBILITY SEGMENTS

The following two performance goals are managed by GSA Offices that are independent of the Services OGP.

Child Care

The Office of Child Care Initiatives provides policy leadership, guidance, oversight and information on quality child care in Federal facilities. It reports directly to the Administrator.

Consumer Information

The Consumer Information Center is part of the Office of Communications which reports directly to the Administrator.

Child Care

GSA Strategic Goal	Compete Effectively for the Federal Market.
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

Performance Goal: **Maintain/increase the number of children of Federal employees who receive care at GSA child care centers.**

Performance Measure: Number of children from Federal families as a percent of total children receiving care in each GSA child care center.

FY 1998 Baseline:	50%
FY 2000 Target:	50%
FY 2001 Target:	50%

Strategies:

Work with the Office of Personnel Management and customer agencies to develop subsidy programs for lower salaried employees to the extent authorized by law.

Assess cost structure and customer satisfaction issues in child care centers with low Federal participation. This will help us identify possible causes of low Federal participation.

Develop action plans to address cost and satisfaction issues identified. This will ensure that we have an orderly, planned approach to addressing problems that might limit Federal participation.

Budget Link: Cost estimates for subsidy programs are under development.

Verification/Validation: GSA Child Care Center of Expertise database.

Child Care

GSA

Strategic Goal:	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

Performance Goal: Achieve 100% accreditation of all eligible GSA child care centers.

Performance Measure

: Percent of eligible child care centers accredited by the National Association for the Education of Young Children.

FY 1998 Baseline:	70%
FY 2000 Target:	85%
FY 2001 Target:	100%

Strategies:

Develop a plan to modernize existing child care centers. This will identify upgrades and repairs that need to be made to make centers eligible for accreditation.

Update guidance on GSA's child care program. This guidance will explain the accreditation process and requirements to regional personnel and give them a better understanding of actions that need to be taken.

Develop a plan to monitor the status of all GSA child care centers. A system like this will help ensure that data about our program are accurate and timely.

Verification/

Validation: GSA Child Care Operations Center of Expertise database.

Consumer Information Center

GSA

Strategic Goal **Excel at Customer Service**

GSA Strategic

Objective **Make Government policies and best practices timely, accessible and useful**

Performance Goal: **Increase the magnitude and quality of the outreach of Federal consumer information through the effective delivery of services to other Federal agencies, the print and broadcast media, and the public**

Performance Measure:

Publications distributed
Accesses of CIC electronic products

	<u>Publications</u>	<u>Accesses</u>
FY 1999 Baseline:	6 million	8 million
FY 2000 Target:	6 million	10 million
FY 2001 Target	6 million	12 million

Strategies

CIC informs the public about vital topics such as health and safety issues, developments in Federal programs, and the impact and effects of Federal research and regulatory actions.

To make sure that every American has access to the most recent and helpful government information, the CIC identifies and coordinates information from more than 40 Federal agencies; its media and direct mail marketing programs promote public awareness of the information; its contracts with the Government Printing Office (GPO) distribute printed information from the nationally known facility in Pueblo, Colorado; its toll-free telephone system enables consumers to more easily order publications; and its Internet web site makes this information available electronically.

CIC produces the **Consumer Information Catalog** which lists hundreds of popular titles from Federal agencies on various important subjects. CIC also publishes the **Consumer's Resource Handbook** which is one of the most informative and popular consumer documents issued by the Government. It is designed to help citizens find the best and most direct source for assistance with their consumer problems and questions.

The Federal Information Center was transferred to the CIC in FY 2000. This organization provides the public with direct information about all aspects of Federal programs regulations and activities. The missions of the two centers reinforce each other, and combine to make a stronger information program.

Budget Link

\$6.8 million in FY 2001. This request includes appropriated funds of \$4 million for the Federal Information Center program which was previously funded under the Policy and Operations account.

Verification and Validation

CIC helps agencies prioritize resources by providing feedback from CIC promotions, inventory reports and electronic distribution and billing data. Thus working with the agencies to assure that the data is correct and complete.

Mail and fax orders are received directly at the Government Printing Office facility in Pueblo Colorado which provides warehousing and order fulfillment services for the tens of thousands of orders received weekly. Distribution is done on a reimbursable basis. The billing and payment process requires accurate data for the participating agencies.

To track Public Service Announcement usage and the value of donated television airtime, CIC used the Nielsen Company's Sigma monitoring service, which records the airplay of nearly every commercial television station in all 211 television markets.

CROSSWALK BETWEEN BUDGET ACCOUNTS AND PERFORMANCE PLAN

<u>Account</u>	<u>Amt in FY 2000 Budget (\$ mil.)</u>	<u>Relationship to Performance Plan</u>
Operating Expenses - Direct	<u>\$195.9</u>	Each component explained below.
Policy and Operations	[145.0]	Includes \$55.8 million for Office of Governmentwide Policy and lesser amounts for real and personal property responsibility segments. Also includes Agency Direction which is not covered by the Plan.
Consumer Information	[6.8]	See Consumer Information responsibility segment.
Inspector General	[34.5]	Covered by a separate performance plan
Former Presidents	[2.5]	Non-discretionary. Not covered by performance measures.
Presidential Transition	[7.1]	GSA's role in the Presidential Transition is administrative support and oversight. Not covered by performance measures.
Federal Buildings Fund	<u>\$6,242.6</u>	Finances the Public Buildings Service
Construction & Acquisition of Facilities	[779.8]	See Construction and Acquisition responsibility segment.
Repair & Alterations	[721.2]	See Repairs & Alterations responsibility segment.
Installment Acquisition Payments	[185.4]	Consists of time payments on certain buildings authorized and built in prior years. Not covered in Performance Plan.
Rental of Space	[2,944.9]	See Leasing responsibility segment.
Building Operations	[1,624.8]	See Government-Owned Buildings responsibility segment.
Reimbursable Programs	<u>899.3</u>	Above standard services provided to PBS tenants. Also includes work related to large projects funded by the appropriations of tenant agencies. Large projects are covered in the PBS Construction and Acquisition segment.
General Supply Fund	<u>3,362.4</u>	Finances the Federal Supply Service.
Information Technology Fund	<u>4,454.9</u>	Finances the Federal Technology Service.
Working Capital Fund	<u>296.6</u>	This account is funded by allocations from the three service-based Funds and the Operating Appropriation. It finances support activities including those of the Chief Financial Officer, Chief Information Officer, Chief People Officer and General Counsel. Not directly covered in the Performance Plan.
Federal Information Center (Reimbursable)	<u>3.7</u>	Reimbursements from Federal agencies to cover costs of providing their information to the public. See Consumer Information responsibility segment.
Permanent Indefinite Appropriation	<u>20.5</u>	See Travel and Transportation responsibility segment. This account finances the Transportation Audit function.